Schedules: White House and Congress

WHITE HOUSE

- 12:30pm: President Trump has lunch with Vice President Mike Pence
- 5:30pm: Coronavirus task force news briefing

CONGRESS

- House meets at 11:30am in a pro forma session
- Senate meets at noon; a procedural re-vote is planned on a ~$2 trillion stimulus package, absent a deal between Republicans and Democrats after weekend talks faltered

Congressional, Health Policy, and Political News

- **Paul Tests Positive for Coronavirus:** Two more U.S. senators said they’ll go into self-quarantine after Sen. Rand Paul (R-Ky.) announced yesterday that he’s tested positive for Covid-19. The moves by Sens. Mike Lee (R-Utah) and Mitt Romney (R-Utah), recommended given the time they’ve spent with Paul recently, have thrown a wrench into efforts by the Senate to pass a massive coronavirus economic stimulus package.
  - Two other Republicans, Sens. Cory Gardner (Colo.) and Rick Scott (Fla.), have also been in self-quarantine after possible exposure. Meanwhile, Sen. Kyrsten Sinema (D-Ariz.) responded angrily to reports that Paul had been at the congressional gym on Sunday morning, and swam in the pool there — after taking the test, but before receiving the results.

- **Hospitals Face ‘Existential’ Funding Crisis:** U.S. hospitals have been lobbying lawmakers to pump billions of dollars into the health industry to keep struggling hospitals afloat and buy needed medical supplies to deal with the outbreak of the coronavirus, Alex Ruoff reports. Some hospital lobbies said this weekend the funds that lawmakers were considering weren’t enough. The Senate Republican plan would set aside $75 billion for health-care providers in addition to rolling back expected Medicare and Medicaid cuts.
  - “We’ve been facing a financial crisis, now it’s more of an existential crisis,” LaRay Brown, president and chief executive officer for One Brooklyn Health, a system of health clinics in New York, told reporters Saturday. Brown said One Brooklyn Health was losing millions of dollars each month as they spend more on staffing and expanding their capacity to deal with rising number of Covid-19 patients each week.
  - American Hospital Association is asking for $100 billion for hospitals in the Coronavirus package being debated this week, something they say can’t wait for the next round of legislation on the issue.
“This is very urgent,” Rick Pollock, president and CEO of the AHA, said. “We need to get this done now and I don’t know if we can wait for a fourth package.”

**What’s in the GOP’s Latest Offer:** Majority Leader Mitch McConnell (R-Ky.) unveiled a $2 trillion economic rescue package yesterday with money for middle-class taxpayers, the unemployed and even local governments. The plan includes payments of $1,200 to many middle-class individuals or $2,400 for married couples, plus $500 per child. The payments start to phase out for people making more than $75,000 or couples making $150,000.

- Democrats were able to secure a change from a previous version that allows low-income taxpayers to get the full $1,200 payment. The initial plan would have given smaller checks, or in some cases, no money at all, to very-low income people.
- Unemployment insurance payments would be boosted under the draft and recipients would be eligible to receive those funds for longer. Democrats have insisted throughout the negotiations that any bill include much more generous payments to those who find themselves without a job during the pandemic.

**Airports See Aid in New Bill:** The nation’s airports would receive $10 billion under Senate Republicans’ updated weekend proposal, the amount airports requested from lawmakers but wasn’t included in an initial proposal last week.

**Transit Agencies Added to Bill:** Passenger railroads and public transit agencies would receive a direct infusion of federal aid under the draft bill Senate Republicans released Sunday to alleviate the economic impact of the new coronavirus.

**New GOP Student Loan Plan:** Student loan borrowers would have a full six months of interest-free relief from paying federal student loans under a new draft of Senate GOP coronavirus legislation released Sunday. The bill would also include both federal Direct Loans and federally guaranteed student loans. Previously released language would have paused loan payments for three months and given the education secretary discretion to extend for another three months. It also applied only to Direct Loans.

**Obamacare Challenge Delay Sought:** States fighting over the constitutionality of Obamacare have asked the Supreme Court to allow more time to file briefs in the case. The parties jointly asked the justices to approve a proposed schedule that would have the briefing completed by August 18, according to a letter filed Friday by California Deputy Solicitor General Samuel P. Siegel. “All parties have agreed to this proposed schedule, which would allow the Court to hold oral argument during the October 2020 sitting,” he said.

- California is leading the coalition of blue states that stepped into defend the law after the Department of Justice refused to do so. The Supreme Court on March 2 agreed to review the constitutionality of the law for a second time. Under the proposed schedule, the coalition’s opening briefs would be due May 6.
• **Top Economists See Echoes of Depression:** The U.S. undoubtedly will suffer a huge economic contraction as businesses close and Americans stay home. By some estimates, the economy is headed toward its worst quarter in records since 1947. In an interview on Sunday, Federal Reserve Bank of St. Louis President James Bullard predicted the unemployment rate may hit 30% in the second quarter because of shutdowns to combat the coronavirus, with an unprecedented 50% drop in GDP.
  
  o And the world economy is guaranteed to enter its worst recession since the financial crisis in the first half of this year with a recovery subsequent months likely but not assured. In a report released today, Chief Economist Tom Orlik said “a lot needs to go right” for global growth to rebound after the coronavirus leads to a severe first-half contraction. For now, they are predicting a 0.2% GDP decline for the whole year.

• **Pentagon Raises Contractor Payments:** The Pentagon, in a move to boost cash flow to large and small defense companies during the coronavirus crisis, will temporarily increase the percentages paid to contractors, known as periodic progress payments. Public interest groups called for the policy to be closely monitored.
  
  o The Pentagon’s Director of Defense Pricing and Contracting issued a “Deviation on Progress Payments” memo late Friday that increases the rate for contracts to 90% of incurred costs from 80% for large businesses, Pentagon spokesman Air Force Lt. Col. Mike Andrews said in a statement yesterday. For small businesses the rate will go to 95% from 90%.

• **Trump to Make Decision on Measures After 15 Days:** President Donald Trump said his administration will make a decision as to “which way we want to go” regarding coronavirus measures after a 15-day period. “WE CANNOT LET THE CURE BE WORSE THAN THE PROBLEM ITSELF,” Trump said in a tweet.

• **Pence Vows Testing Backlog Resolved by Midweek:** Vice President Mike Pence said the backlog in coronavirus testing in the U.S. should be resolved by midweek. Pence, speaking at a White House press conference yesterday, said health-care workers should prioritize inpatient testing. “We want people checked into a hospital, that are treated for what they thought was the coronavirus, to receive the test more quickly,” Pence said. Pence added that about 254,000 people in the U.S. have now been tested for coronavirus and received their results. More than 32,000 have tested positive.

• **National Guard Ramps Up Virus Efforts:** The National Guard ramped up its role in containing the coronavirus in the U.S., with 7,300 troops deployed across the country to combat the outbreak as President Donald Trump ordered new force activations to aid California, New York and Washington state. The president’s order yesterday will waive the typical cost-sharing arrangement where the federal government pays 75% of the costs and states pay the remaining 25%. The move affects the three states most impacted by the virus so far but could quickly be extended to other states, said Gen. Joseph Lengyel, the chief of the National Guard Bureau.
• **Small Tweaks to Ventilators Allowed to Boost Supply, FDA Says:** Ventilator manufacturers are free to modify devices that have already been approved by the FDA in order to boost supply of the machines to combat the coronavirus outbreak. The Food and Drug Administration issued new guidance yesterday that allows limited modifications of previously approved models of ventilators, anesthesia gas machines, and other respiratory devices without worrying about federal enforcement. The agency still recommends using conventional respirators whenever possible to treat patients suffering from Covid-19.

• **GM, Ford Rush to Try to Make Ventilators:** Trump caused consternation in Washington, Detroit and beyond when he tweeted yesterday that he had given automakers the “go ahead” to start producing ventilators and other equipment desperately needed in the coronavirus pandemic. No one seemed to know what this pronouncement meant.
  o What is clear, though, is that companies were already racing to try to determine how -- or if -- they could contribute. And that they recognize there will be no easy switch-over to manufacture something like a ventilator, which pumps oxygen into a Covid-19 patient’s lungs and removes carbon dioxide through a hose.

• **DHS Says No Plans Now for Broad Domestic Travel Ban:** The Trump administration has no immediate plan to restrict domestic travel, but may consider “targeted” measures aimed at states where the coronavirus outbreak is the worst, acting Homeland Security Secretary Chad Wolf said.

• **Biden Pushes for On-Time Election:** Joe Biden pushed back on suggestions that the November election could be postponed amid the coronavirus pandemic, saying yesterday it’s important that voting continues as it has during other crises in American history. “You know, we voted in the middle of a civil war, we voted in the middle of World War I and II,” the 2020 Democratic front-runner and former vice president said on a conference call with Atlanta-area donors.

• **Pompeo Visits Afghanistan:** Secretary of State Michael Pompeo ventured abroad for the first time since the coronavirus pandemic hit the U.S. in full force, making a surprise visit to Afghanistan’s capital yesterday as part of a bid to inject new momentum into an already faltering peace process with the Taliban. Pompeo was expected to meet with Afghan President Ashraf Ghani in a push to bring the Taliban and Afghanistan’s government together for talks more than three weeks after the U.S. signed a deal to withdraw its troop in exchange for Taliban promises to keep the country from becoming a haven for terrorists.

• **U.S. Is Pressured to Ease Sanctions on Iran:** The devastation of the coronavirus outbreak in Iran is raising pressure on the U.S. to ease sanctions on the Islamic Republic. So far, the Trump administration isn’t budging. Iran has reported more than 1,650 deaths from the coronavirus pandemic and its leaders and some aid groups say America’s crushing “maximum pressure” campaign against it is worsening a humanitarian disaster. The U.S. says it stands ready to help Iran with the virus while simultaneously blaming the growing crisis on the regime’s mismanagement.
• “U.S. sanctions are not preventing aid from getting to Iran,” Brian Hook, the State Department’s point person on Iran issues, said in an interview. “The ayatollah has vast resources at his personal disposal. We have broad exemptions that allow for the sale of medicines and medical devices by U.S. persons or from the United States to Iran.”

• **Russia Halts War Games in West:** The Russian military said it ended war games near its western borders as a sign of good will after NATO announced it was scaling back planned exercises due to the spread of coronavirus. “We are trying to find common ground,” Deputy Defense Minister Alexander Fomin said in an interview with Izvestia newspaper published today. “For example, we took the initiative to end military drills in the immediate vicinity of the Russian border with western states.” Russian military planes now fly missions over the Baltic Sea with transponders turned on, he said.