

COVID-19 Daily Update

April 1, 2020

Summary

President Trump warned of a “very painful” fight and projected 100,000 to 240,000 U.S. deaths, even with mitigation efforts. The United States now has more than 200,000 confirmed infections, about 20 percent of the global total. The country’s death toll has surpassed 4,000. According to two DHS officials, an emergency stockpile of medical equipment maintained by the U.S. government has nearly run out of protective gear. The near-exhausted supply includes masks, respirators, gloves, gowns, and face shields. A small amount of gear has been set aside for federal first responders. FEMA officials are tracking down protective medical equipment for purchase overseas, looking mostly to suppliers in China and Malaysia. UN Secretary General Guterres recently commented that the COVID-19 outbreak is the “most challenging crisis we have faced” since World War II.

Wimbledon, the oldest Grand Slam tennis tournament, was canceled for 2020. It had previously been called off only during World War I and World War II. In a new safety bulletin, the U.S. Coast Guard warned foreign-flagged cruise ships to be prepared to care for people with COVID-19 for an “indefinite period of time” at sea or to seek help from countries other than the U.S., citing an overwhelmed health care system. The Federal Bureau of Prisons announced inmates in all facilities across the country will be kept in their assigned cells or quarters to decrease the spread of the virus. The quarantine order will hold for at least 14 days, but it may be extended to a later date. April rent is due today for all 5.4 million renters in New York City, and the real estate industry is bracing for up to 40 percent of tenants to miss their April payments. COVID-19 continues to spread through New York City’s homeless shelters, where it has now infected over 120 people in 68 different shelters and killed five people. All New York City playgrounds will be closed, because social-distancing rules often have not been observed. Parks and other open spaces will remain open.

General/Employer Guidance

Presidential updates

- [*Coronavirus Task Force Details ‘Sobering’ Data Behind Its Extended Guidelines*](#), March 31
 - White House officials are considering whether to change recommendations to require the general public to wear masks. CDC currently directs people who are infected with COVID-19, along with those who are caring for people who are sick, to wear face masks. President Trump stressed that, at the present time, masks should still be prioritized for health care workers in hospitals.

- White House officials detailed the modeling and other data that led President Trump to extend virus countermeasures through the end of April. Computer models (excerpted below) predict that between 100,000 and 240,000 Americans will die from COVID-19 during the coming months, even if the country continues the strict social distancing measures. Without any countermeasures, the model projects 2.2 million deaths.
- In terms of the types of countermeasures required, officials said nothing more is likely needed beyond what's already been recommended: the closure of restaurants, businesses, and other public places; avoiding groups; and increased personal hygiene.



- [President Donald J. Trump Approves Major Disaster Declarations](#), March 31
 - President Trump declared that a major disaster exists in Ohio and Montana. He ordered Federal assistance to supplement state, and local recovery efforts in the areas affected by COVID-19. The action makes Federal funding available for crisis counseling for affected individuals in the State, and for other emergency protective measures.
 - President Trump recently issued similar declarations for New York, California, Washington State, Louisiana, Iowa, Texas, Florida, New Jersey, Illinois, Missouri, Maryland, Massachusetts, Michigan, Oregon, Connecticut, Colorado, South Carolina, Kentucky, Georgia, Puerto Rico, Guam, the District of Columbia, Kansas, Alabama, Rhode Island and Pennsylvania.

World Health Organization (WHO)

- [Falsified Medical Product Alert](#), March 31
 - WHO warned consumers and health care professionals against a growing number of falsified medical products that claim to prevent, detect, treat or cure COVID-19. WHO has received multiple reports regarding falsified in vitro diagnostics (IVDs) and laboratory reagents for the detection of SARS-CoV-2.
 - End-users are encouraged to check the labelling against the information posted by regulatory authorities upon listing to ensure they are in possession of the genuine product.

- [Countries of the Americas must act now to slow the spread of COVID-19](#), March 31
 - Pan American Health Organization (PAHO) Director Etienne recently called for urgent action to ensure adequate hospital space, health professionals, and medical equipment to cope with the coming influx of COVID-19 in the Americas. PAHO noted that there is still “a short window of time for governments to slow the spread of the virus... and save lives.”

U.S. Centers for Disease Control and Prevention (CDC)

- [Public Health Recommendations for People in U.S. Communities Exposed to a Person with Known or Suspected COVID-19](#), April 1
 - CDC updated its recommendations for people in U.S. communities exposed to a person with known or suspected COVID-19. These updates are based on growing evidence of transmission risk from infected persons without symptoms or before the onset of recognized symptoms, as well as limitations in access to COVID-19 testing and an increasing number of cases diagnosed clinically.
 - CDC changed the period of exposure risk from “onset of symptoms” to “48 hours before symptom onset.” CDC now recommends that any person who has close contact with a person with symptomatic COVID-19 during the 48 hours before their symptoms began should stay home for 14 days, self-monitor for symptoms, and avoid contact with those at higher risk for severe illness.
 - CDC also removed its “no risk” category and replaced it with “those with an unknown risk” to acknowledge that all persons in the United States are at some risk of COVID-19 given the increases in community spread throughout the United States. CDC now recommends that those with an unknown risk exposure remain alert for symptoms and practice social distancing.
- [Preliminary Estimates of the Prevalence of Selected Underlying Health Conditions Among Patients with COVID-19](#), March 31
 - A new study, published as an early release by CDC, examined laboratory confirmed COVID-19 cases and deaths within the United States.
 - The study found that patients with underlying health conditions are at a higher risk for severe COVID-19 infection. These conditions include diabetes mellitus, chronic lung disease, cardiovascular disease, chronic renal disease, and hypertension. Higher percentages of patients with underlying conditions were admitted to the hospital and to an ICU than patients without reported underlying condition. These results are consistent with findings from China and Italy.
 - It is not yet known whether the severity or level of control of underlying health conditions affects the risk for severe disease associated with COVID-19.

New York State

- [Nearly 400 New York deaths put the region past 2,000](#), April 1
 - Governor Cuomo reports that 391 people in New York State died of the coronavirus since yesterday, bringing New York State’s total to 1,941 and the total for New York, New Jersey, and Connecticut to 2,365. Cuomo emphasized the regional coordination

between New York, New Jersey and Connecticut, and noted that the virus is spreading more rapidly in other states, including California, Michigan and Florida.

- All New York City playgrounds will be closed, because social-distancing rules often have not been observed by persons using them. Parks and other open spaces will stay open.
- [*Governor Cuomo Announces New Hospital Network Central Coordinating Team*](#), March 31
 - Governor Cuomo announced a statewide public-private hospital plan to share information, supplies, staff, and patients among hospitals across the State. He also announced a new hospital network Central Coordinating Team to implement the public-private hospital plan. The team will organize upstate and downstate staffing; assist Elmhurst Hospital and other stressed hospitals; organize patient transfers to other hospitals and the USNS Comfort; coordinate State-City stockpiles and individual hospital stockpiles; and facilitate staffing recruitment.
 - Governor Cuomo estimated that the apex of the curve in New York State will be between 14 and 30 days from now.

New York City

- [*Mayor de Blasio's Letter to FEMA*](#), March 31
 - Mayor de Blasio recently wrote a letter to FEMA, asking for assistance. The letter highlights that one in every four coronavirus cases in the United States is a New York City resident. The letter notes that by Sunday April 5, New York City will face a critical staff shortage. The Mayor asks for 1,000 nurses, 300 respiratory therapists, and 150 doctors for New York City public hospitals within the next five days. The request mirrors a [recent letter](#) Mayor de Blasio wrote to President Trump, the Secretary of Defense, and Chairman of the Joint Chiefs of Staff.
- [*Mayor de Blasio Holds Media Availability at the USTA National Tennis Center*](#), March 31
 - Mayor de Blasio announced a new temporary hospital facility at the Billie Jean King Tennis Center in Flushing Meadow, Queens. The facility will treat COVID-19 non-ICU patients beginning next Tuesday, April 7. The hospital will reach its full capacity of 350 patients over the next three weeks. These additional beds will help relieve some of the current need at Elmhurst Hospital.
 - NYC Health + Hospitals added 1,000 contract nurses to support existing staff system wide. To support the continued surge of patients, Health + Hospitals will also add an additional 1,000 nurses in the coming weeks. The City has also asked the federal government to supply 1,000 nurses, 3,000 respiratory therapists, and 150 doctors to support hospital staff across the City.
 - Parks Department Staff noticed a consistent lack of social distancing with children's play equipment at 10 playgrounds across the City and planned to close them by the end of the day on Tuesday. The City will continue to closely enforce social distancing rules and close additional playgrounds as necessary.
 - The City is postponing its annual tax lien sale until August. Property owners who are facing hardships making their property tax payments can take advantage of several existing Department of Finance programs. These include exemption programs to lower

the amount of taxes owed, standard payment plans, or a new Property Tax and Interest Deferral (PT AID) program, for those who qualify.

Other Related Updates

- [*IHME COVID-19 Projections*](#), April 1
 - The Institute for Health Metrics and Evaluation (IHME) released new modeling tools showing the projected demand for hospital resources. The tool estimates when states will have the greatest need for hospital beds, ICU beds, and ventilators. The model assumes continued social distancing until the end of May 2020. If not, the number of deaths and burdens on hospital systems will likely be higher than the model predicts.
 - As of March 25, 2020, IHME’s analysis estimates that over the next four months in the US, approximately 81,000 people will die from the virus. The forecast, which assumes continued social distancing, only covers the next four months and does not predict how many deaths there may be with any resurgence at a later point or if social distancing is not implemented. IMHE is an independent population health research center based in the University of Washington.
 - As of March 31, 2020, the analysis estimates that New York will reach its peak resource use on April 9, 2020, and, at that time, COVID-19 patients will require over 75,000 hospital beds, including over 11,000 ICU beds. These estimates exceed the total number of beds available in New York by 62,000 and 10,000 beds, respectively.

- [*Coast Guard Tells Cruise Ships With COVID-19 Cases To Stay Away From U.S. Ports*](#), April 1
 - A new Coast Guard [bulletin](#) for the southern Atlantic coast asks foreign-flagged cruise ships to be prepared to care for people with COVID-19 for an “indefinite period of time” at sea or to seek help from countries other than the U.S.
 - If a cruise ship must send someone ashore for medical care, the ship’s owner will be responsible for essentially every step of the trip, from arranging an evacuation to hiring a private ambulance and ensuring the person has a spot in a hospital.
 - The Coast Guard warns that it may be difficult to find any facility in South Florida that can take new COVID-19 patients. Medical facilities in the Port of Miami, for example, are no longer accepting MEDEVAC patients due to limited hospital capacity, and it is expected that neighboring counties will follow suit.

- [*Governors Fight Back Against Coronavirus Chaos*](#), April 1
 - Governors are publicly challenging the Trump administration’s assertion that the United States is well-stocked and well-prepared to test for COVID-19 and care for an influx of patients. Governor Andrew Cuomo recently remarked that the country’s patchwork approach to the pandemic had made it harder to get desperately needed ventilators. Cuomo stated that “it’s like being on eBay with 50 other states, bidding on a ventilator.”
 - Governor Hogan of Maryland remarked that his state was “flying blind” in the fight against the coronavirus because officials did not have enough tests. Governor Lamont of Connecticut, noted it was “disturbing” to learn that a national stockpile of medical supplies was running empty. The Ohio health department said that it had received thousands of gowns, masks and gloves from the federal government, but that even

combined with what the state has on hand, the stockpile would not be enough to protect health care workers and emergency medical workers.

- [*FDA COVID-19 Update: Daily Roundup*](#), March 31
 - FDA created the [Coronavirus Treatment Acceleration Program](#) (CTAP) to expedite the development of safe and effective life-saving treatments. FDA is triaging requests from developers and scientists seeking to develop new drug and biologic therapies, and providing rapid input to get studies underway quickly.
 - FDA posted information regarding shortages of hydroxychloroquine and chloroquine to its [drug shortages webpage](#) due to a significant surge in demand. Manufacturers are ramping up production, and FDA is working to ensure this can happen expeditiously and safely.
 - FDA and FTC issued [warning letters](#) to three companies for selling fraudulent products with claims to prevent, treat, mitigate, diagnose or cure COVID-19. These include: Halosense Inc. which claims its salt therapy products are an effective COVID-19 treatment; Bioactive C60/FullerLifeC60 LLC which claims its product can build up immunity to prevent COVID-19; and JRB Enterprise Group Inc. which claims its colloidal silver products are an effective COVID-19 treatment.

- [*IRS: Employee Retention Credit available for many businesses financially affected by COVID-19*](#), March 31
 - The Treasury Department and IRS recently launched their Employee Retention Credit program, designed to encourage businesses to keep employees on their payroll during the COVID-19 pandemic. It provides a refundable tax credit of 50% of up to \$10,000 in wages paid by an eligible employer whose business has been financially affected by COVID-19.
 - These provisions apply when: (1) an employer's business is fully or partially suspended by government order due to COVID-19 during the calendar quarter; or (2) an employer's gross receipts are below 50% of the comparable quarter in 2019. Once the employer's gross receipts go above 80% of a comparable quarter in 2019, they no longer qualify after the end of that quarter.

- [*Economic impact payments: What you need to know*](#), March 31
 - IRS provided guidance on the distribution of economic impact payments, as set forth in Congress' recent \$2 trillion economic stimulus package. IRS advises that distribution of economic impact payments will begin in the next three weeks and will be distributed automatically, with no action required for most people.
 - Eligible taxpayers who filed tax returns for either 2019 or 2018 will automatically receive an economic impact payment of up to \$1,200 for individuals or \$2,400 for married couples. Parents also receive \$500 for each qualifying child.
 - Tax filers with adjusted gross income up to \$75,000 for individuals and up to \$150,000 for married couples filing joint returns will receive the full payment. For filers with income above those amounts, the payment amount is reduced by \$5 for each \$100 above the \$75,000/\$150,000 thresholds. Single filers with income exceeding \$99,000 and \$198,000 for joint filers with no children are not eligible.

Other recent events covered in detail elsewhere:

- [IRS Issues Initial Tax Guidance for Advance Payment of Employee Retention Credits and Families First Credits](#), April 1
- [FCA's Head of Technology, Resilience and Cyber outlines expectations on cyber resilience and security](#), April 1

Send questions to COVID-19-Implications@ropesgray.com