

**March 18, 2021**

### **Summary**

The United States has 29,628,730 confirmed COVID-19 cases and 538,430 reported related deaths. On Friday, President Biden is expected to announce the United States will supply Mexico and Canada with excess AstraZeneca vaccine doses. In parallel, Mexico will help the United States contain the migration surge along the southern border. Federal Emergency Management Agency (FEMA) said Wednesday it will reimburse the families of COVID-19 victims for funeral expenses. In a new forecast, the Federal Reserve announced it expects the U.S. economy to grow faster this year than previously anticipated, with only a modest increase in inflation. In December, Fed officials projected 4.2% growth in 2021, but they have revised that estimate to 6.5%.

Moderna has begun testing its vaccine in babies and young children. This new study adds on to research the company is already doing with older children and teenagers. New data shows that robust vaccination efforts in American nursing homes have resulted in a dramatic decrease in the spread of the virus among the vulnerable populations that live there. CDC has classified two variants first discovered in California as “variants of concern.” A panel of scientists warns that warm weather will not, by itself, curtail the spread of COVID-19.

As of March 17, reported COVID-19 cases continue to drop in former hot spots such as the South and Midwest. However, in the Northeast (specifically New York and New Jersey) new COVID-19 cases per capita at least double the national average. More than 20% of people in the United States have received at least one dose of the vaccines, and states continue to expand lists of eligible recipients.

New York reported 57 deaths, 4,536 hospitalizations, and 934 COVID-19 patients in intensive care on Wednesday, March 17. Approximately 7,796, or 2.87% of the 271,463 tests administered in New York on March 17 were positive for COVID-19. As of March 17, New York has administered 7,150,352 doses of the vaccines to patients. 24% of New York residents have received at least one dose of the vaccines and 12.4% are fully vaccinated. On March 15, New York State Department of Financial Services issued new guidance encouraging the prompt, fair, and equitable settlement of claims for healthcare services. On March 17, Governor Cuomo announced three upcoming changes to current COVID-19 restrictions in New York State—including, removing the remaining yellow “cluster zones,” lifting curfews for certain venues, and reopening indoor fitness classes. Beginning on March 19, New York will open 10 new state-run mass vaccinations sites, with the ability to vaccinate more than 1,000 residents daily (dependent on supply from the federal government).

## **U.S. Government Updates**

- [\*Biden Will Send Mexico Surplus Vaccines, as U.S. Seeks Help on Immigration Enforcement\*](#), March 18
  - On Friday, Biden is expected to announce the United States will supply Mexico and Canada with excess COVID-19 vaccine doses. At the same time, Mexico will help the United States contain a migration surge along the southern border. U.S. officials have clarified that this is not a qui-pro-quo situation, but rather “parallel negotiation[s].”
  - The Trump administration signed a contract for 300 million doses of AstraZeneca’s vaccine in May 2020, and about 7 million doses are currently stockpiled. However, the vaccine has not been approved for emergency use in the United States. Furthermore, the United States has determined its currently approved vaccines—those produced by Johnson & Johnson, Pfizer, and Moderna—will provide enough shots to inoculate all Americans.
  - According to a White House official, “Our top priority remains vaccinating the U.S. population, but the reality is that this virus knows no borders and ensuring our neighbors can contain the virus is mission-critical to protecting the health and economic security of Americans and for stopping the spread of COVID-19 around the globe.”
- [\*FEMA Pledges to Reimburse Families for COVID-19 Funeral Costs\*](#), March 18
  - Federal Emergency Management Agency (FEMA) said Wednesday it will reimburse the families of COVID-19 victims for funeral expenses.
  - To be eligible for a reimbursement, the victim must have died in the United States or a U.S. territories after January 20, 2020, and his or her death certificate must indicate COVID-19 was the cause of death.
  - FEMA will provide more [guidance](#) on eligibility before reimbursements begin next month.
- [\*Fed Predicts Faster Economic Growth, with Only Modest Inflation\*](#), March 17
  - In a new forecast, the Federal Reserve announced it expects the U.S. economy to grow faster this year than previously anticipated, with only a modest increase in inflation.
  - In December, Fed officials projected 4.2% growth in 2021; they have now revised that estimate to 6.5%. Additionally, officials said they expect unemployment to fall to 4.5% by the end of 2021.
  - Federal Reserve chairman Jerome Powell told reporters, “The recovery has been faster than we expected. Part of that just is it’s very hard to predict, given we’ve never seen an event like this.” On Wednesday, the Dow Jones Industrial Average rose 189 points to close above 33,000 for the first time, and the S&P 500 also closed at a record high.

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

- [\*CDC Interpretation of Forecasts of New Deaths and Hospitalizations\*](#), March 17
  - CDC [consolidated](#) data from 40 models projecting the COVID-19 death rate. Predicted rates differ among the forecasts, depending on assumptions about the prevalence and rigor of social distancing behaviors. CDC’s national ensemble forecast indicates that the number of newly reported COVID-19 deaths will likely decrease over the next four weeks. It predicts between 3,200 and 10,100 new deaths and between 554,000 and 574,000 cumulative deaths by April 10.

- CDC [consolidated](#) data from 12 models projecting the number of daily COVID-19 hospitalizations. The state and territory-level ensemble forecasts predict that hospitalizations will increase in two jurisdictions and decrease in 22 jurisdictions. The national ensemble predicts daily hospitalizations will decrease nationally over the next four weeks, with between 1,300 and 6,500 new hospitalizations likely reported per day by April 12.
- [Coronavirus Strains First Detected in California Are Officially 'Variants of Concern,' CDC Says](#), March 17
  - CDC now [classifies](#) two coronavirus strains first detected in California to be “variants of concern.” The variants may be approximately 20% more transmissible than the original virus, according to early CDC research.
  - Some COVID-19 treatments may be less effective against the strains, but CDC has not said that vaccines would stop working against the strains. Although laboratory studies showed that antibodies from vaccinated people were less effective in neutralizing the strains, lower levels of antibodies may still be sufficient to protect against COVID-19, especially severe cases.
  - No variant, including those originating in the UK, Brazil, and South Africa (which are also “variants of concern”), is currently classified in the federal government’s highest threat level, “variant of high consequence.”
- [Updates to Interim Guidance for SARS-CoV-2 Testing in Non-Healthcare Workplaces](#), March 17
  - CDC has updated its [guidance](#) on testing in the workplace.
  - The guidance suggests that screening testing could be effective in helping to prevent transmission in workplace settings. This includes testing of asymptomatic people.
  - Antigen tests may be used for serial screening testing. Antigen tests, which detect current infections, are relatively easy to use and are authorized for point-of-care use. Additionally, they are relatively inexpensive (approximately \$5 to \$15 per test) and the turnaround time for results ranges from 15 to 30 minutes.

### **New York State**

- [New York State COVID-19 Updates](#), March 18
  - New York reported 57 deaths, 4,536 hospitalizations, and 934 COVID-19 patients in intensive care on Wednesday, March 17, 2021.
  - Approximately 7,796, or 2.87% of the 271,463 tests administered in New York on March 17 were positive for COVID-19.
  - As of March 17, New York has administered 7,150,352 doses of the vaccines to patients. 24% of New York residents have received at least one dose of the vaccines and 12.4% are fully vaccinated.
  - Beginning on March 19, New York will [open](#) 10 new state-run mass vaccinations sites, with the ability to vaccinate more than 1,000 residents daily (dependent on supply from the federal government). Each site will remain open from 8:00 am to 7:00 pm daily.
  - On March 15, New York State Department of Financial Services [issued](#) new [guidance](#) encouraging the prompt, fair, and equitable settlement of claims for healthcare services. The new guidance aims to establish protections for patients and healthcare providers.

Specifically, the guidance limits insurers' ability to deny, delay, or reduce claims due to "administrative reasons" for medically necessary services.

- [\*New York State Relaxes More COVID Restrictions\*](#), March 18
  - On March 17, Governor Cuomo announced three upcoming [changes](#) to current COVID-19 restrictions in New York State.
  - Beginning March 22, New York will downgrade the remaining five "yellow zone clusters"—effectively removing area-specific COVID-19 restrictions across the State and, instead, aligning all areas with statewide guidance. On the same day, indoor fitness classes can re-open statewide at 33% capacity (with health screening and contact tracing information required at sign-in). Local health departments will inspect the premises before, or within 2 weeks of, the fitness center opening to ensure compliance.
  - Beginning April 5, New York State will lift the curfew (currently 11 p.m.) on casinos, movie theaters, bowling alleys, billiards halls, gyms, and fitness centers. However, the 11 p.m. curfew for food and beverage establishments, and the 12 a.m. curfew for catered events will remain in effect, which the State will reevaluate in late-April.

### **New York City**

- [\*New York City COVID-19 Updates\*](#), March 18
  - On March 15, Mayor Bill de Blasio [predicted](#) that New York City will hit its goal of fully vaccinating 5 million residents by late June. De Blasio also said that he asked President Biden to increase the City's supply of vaccines, which are currently sent to state governors for distribution to cities and towns. A spokesperson for Governor Cuomo responded "[t]he city receives 43% of the state's doses every week because New York City represents 43% of the state's population."
- [\*New York City COVID-19 Cases Stagnate\*](#), March 15
  - In New York City, the rolling, seven-day COVID-19 positivity rate has hovered between 6% and 7% for the past several weeks—a plateau that epidemiologists warn will be difficult to lower. While the rest of the United States hit a post-holiday peak in January and then saw a sharp decline in daily COVID-19 cases, New York City did not experience as sharp of a peak, and the drop-off has not been nearly as steep.
  - City health officials warn that a mixture of isolation fatigue, decreased fear of COVID-19, eased safety restrictions, and significant variant presence will make it more difficult to reduce the City's positivity rate.

### **Vaccines and Therapeutics**

- [\*Moderna Begins Testing Its Vaccine in Babies and Young Children\*](#), March 16
  - Moderna has [begun](#) a study that will test its vaccine in children under 12, including babies as young as six months. The study will enroll 6,750 healthy children in the U.S. and Canada.
  - The children will receive two shots, 28 days apart. In the first part of the study, those aged two years to less than 12 years may receive two doses of 50 or 100 micrograms each. Those under two, may receive two doses of 25, 50, or 100 micrograms. One adult dose is 100 micrograms. The first children inoculated will receive the lowest doses and will be monitored for reactions before later participants are given higher doses.

- After part one, researchers will perform interim analysis to determine which dose is safest and most protective for each age group. Then, in part two, participant children will receive the doses selected by that analysis or placebo shots, so that researchers can assess the vaccine's effectiveness. The children will be followed for one year in order to assess any side effects and to measure antibody levels.
- Moderna is already [testing](#) its vaccine in 3,000 children ages 12 to 17 in a separate study. Results from this study may be available by summer.
- [\*COVID Cases Plummet 83% Among Nursing Home Staffers Despite Vaccine Hesitancy\*](#), March 15
  - According to [data](#) from Centers for Medicare & Medicaid Services (CMS), the number of new COVID-19 cases among nursing home staff members fell 83% after the vaccine rollout, from 28,802 for the week ending December 20 to 4,764 for the week ending February 14. The new COVID-19 infection rate among nursing home residents fell even more dramatically, by 89%, during the same period.
  - Compared to the 58% decrease in COVID cases among the general public, these numbers demonstrate the dramatic effect vaccination has had in reducing cases, according to a spokesperson for the industry group American Health Care Association and National Center for Assisted Living.
- [\*How 'Vaccine Day' Could Boost Inoculations\*](#), March 16
  - Over the past week, the vaccination rate in the U.S. has accelerated to 2.43 million doses per day. More than 100 million Americans have received at least one dose, and more than 30 million Americans are fully vaccinated. Deaths have [declined](#) by 22%.
  - Still, vaccine hesitancy is a lingering concern in the quest to reach herd immunity. According to polling data from Kaiser Family Foundation, 55% of Americans reported that they intend to get vaccinated, and that number is even lower among certain groups.
  - To move the needle, public health advocates are promoting a one-time federal [holiday](#), National Vaccine Day. The proposed holiday, which could fall on the Friday of Labor Day weekend of this year, would feature in-person, outdoor events, like live music and block parties, celebrating nurses, doctors, and other essential personnel.

## **International**

- Following a safety review of AstraZeneca's vaccine, [European Medicines Agency](#) said today that the vaccine is safe and effective. More than a dozen nations, including many in Europe, suspended use of the vaccine amidst concerns it might increase the likelihood of blood clots. The Agency's Executive Director, Emer Cooke, explained, "When you vaccinate millions of people, it's inevitable that rare or serious instances of illnesses will occur in the time immediately following vaccination."
- On Wednesday, the [Seoul](#) Metropolitan Government announced it would require hundreds of thousands of foreigners in the city to undergo COVID-19 testing following a spike in infections. The announcement was met with outrage by citizens and politicians alike.
- World Health Organization (WHO) said today that more [Europeans](#) are dying from COVID-19 now than at the same time last year, when the virus first tore through the continent. In central and eastern Europe, case incidence rates, hospitalizations, and deaths are currently among the highest in the world.

- [Japan](#) has announced an end to the state of emergency in Tokyo, despite increasing evidence that the rate of new infections is rising once again.
- President John Magufuli of [Tanzania](#), who rejected scientific evidence of the COVID-19 pandemic and urged his people to pray rather than wear masks, died on March 17 of “heart complications.” Certain reports, however, indicate Magufuli may have actually died from COVID-19.

### **Other Updates**

- [Department of Labor Unemployment Insurance Weekly Claims Report](#), March 18
  - Department of Labor (DOL) reports that another 770,000 workers filed initial claims (seasonally adjusted) for unemployment benefits last week.
  - The number of new claims had trended downward since March 2020, when nearly seven million people filed for unemployment insurance in a single week. Claims began spiking again around December, but are now decreasing.
  - 282,394 new claims were filed for Pandemic Unemployment Assistance, the federal program intended to help freelancers, gig workers, the self-employed, and others not normally eligible for state jobless benefits.
- [Colleges Cancelled Spring Break; Students Are Traveling Anyway](#), March 16
  - Though 60% of colleges have cancelled spring break this year, online classes mean many students are traveling anyway. Miami, for example, has seen a surge of college-aged visitors in March. Hotel occupancy for the month is at 72% capacity, and home shares are up 27% from 2019 (pre-pandemic).
  - Some colleges, like the University of California, Davis, have tried paying students to stay home. It is unclear how well these efforts have worked.
  - Spring break travel in 2020 was linked to COVID-19’s spread on college campuses and nearby communities.
- [Warm Weather by Itself Won’t Curtail the Spread of COVID-19, Expert Panel Finds](#), March 18
  - Early in the pandemic, [reports](#) surfaced that warmer weather may reduce the transmissibility of the virus. Some studies, released before peer review, explored the potential linkages.
  - However, a team of scientists from the World Meteorological Organization now say that is not the case. Rather, their [report](#), which considers only peer-reviewed papers published by the first week of January 2021, shows that changes in human behavior, demographics, and lately, the emergence of more-transmissible variants, have driven transmission dynamics far more than changes in weather, a country’s climate, or air quality have.

Other recent events covered in detail elsewhere:

- [IRS and DOL Issue Separate COVID-19-Related Benefit Plan Guidance for Employee Benefit Plans and Plan Participants: Take Note of Opportunities and Deadlines](#), March 2

Send questions to:

- [COVID-19-Implications@ropesgray.com](mailto:COVID-19-Implications@ropesgray.com)