Ohio Legislative Update
April 15, 2020

Overview

Less than one month ago, Ohio confirmed its first cases of COVID-19 and now there are over 7,000 cases. Governor Mike DeWine and Ohio Department of Health Director Dr. Amy Acton continue to hold daily press briefings with updates for the public, taking their first weekend off since early March this past Easter weekend. With Ohio closing schools, universities, bars, restaurants, gyms, and more and limiting public gatherings to 10 people for several weeks, the curve is flattening. These swift decisions have landed Ohio in the spotlight nationally. Below are updates since the end of March and continual updates are included in G2G's weekly webinars that summarize coronavirus legislation, regulatory guidance and new funding opportunities.

The Numbers

As testing becomes more widespread and we begin to reach our peak, we are expected to see a steep number of confirmed cases and, unfortunately, deaths. The peak is estimated to hit April 15 to May 15 that could last several weeks. Because of our aggressive social distancing, the peak is now expected to be 1,600 per day (instead of 10,000). According to the Ohio Data Dashboard as of April 14:

- Total Cases: 7,280
- Confirmed ICU Admissions: 654
- Hospitalizations: 2,156
- Deaths: 324

Office of Small Business Relief

Last week, Lt. Governor Jon Husted announced the Office of Small Business Relief, a new office developed within the Ohio Development Services Agency (DSA) to better coordinate Ohio's efforts to identify and provide support for Ohio's nearly 950,000 small businesses. The Office will serve as the state's designated agency for administrating federal recovery funds awarded to Ohio for small business support and recovery and work with federal, state, and local partners to evaluate and determine possible regulatory reforms that encourage employment and job creation.

Business

- **Unemployment –** ODJFS reported that claims for the past two weeks total more than 468,000, compared to 364,000 filed in all of 2019. ODJFS has added 300 new people to help with the phones. If you're willing and able to work, they have added a section on the state's website that lists essential jobs that are in desperate need – currently over 33,000 postings. Cincinnati decided to furlough as many as 1,700 workers after revised budget estimates projected a $27.5 million deficit. Akron furloughed 600 of its 1,800 workers, until further notice.
- **Taxes –** Ohio's tax revenues dropped more than 10% in March, but the lagging nature of collections and the timing of recent public health orders mean that drop doesn't represent the full scope of the economic damage. For now, tax collections are still ahead of estimates for the fiscal year to date by half a percent, bringing in $89.5 million more than expected and reaching $16.99 billion.
- **Dividends –** BWC will distribute $1.6 billion in dividends to thousands of public and private employers, relative to each employer's premiums minus any outstanding debt. This will mean one less bill that businesses will need to worry about during the outbreak

Stay at Home Order

This Order is now in effect until May 1. In addition to the previous order it adds:

- Essential businesses must determine and enforce a maximum number of customers allowed in a store at one time. These businesses must ensure that people waiting to enter the stores maintain safe social distancing.

- Those coming to Ohio from out of state are being asked to self-quarantine for 14 days with an exception for trans boarder area occupants/workers.
- Lawn care services are allowed to operate as long as they are single-mowers.
- No organized sports for kids or adults. Campgrounds must be closed, unless it is a place of residence. Fishing is permitted if maintain proper social distance.

Dispute Panel

Chaired by Commerce Director Sherry Maxfield, this will allow the state to offer guidance to local health departments to ensure uniformity across the counties. For example, if one county allows an establishment to stay open but another does not, the panel will decide what the guidance is and all counties will then adhere. If you have a dispute, please fill out the form and email to: Dispute.Resolution@odh.ohio.gov

General Assembly Updates

- **Ohio House 2020 Economic Recovery Task Force** – Speaker Householder created a panel to meet remotely to map out a strategy to return to business in Ohio. There will be guests each meeting from the business, manufacturing, retail, wholesale, services and recreational sectors to discuss their experience and brainstorm ways to rebound Ohio's job market once COVID-19 has run its course. It has held two meetings so far and seems to be pushing to reopen sooner than the Governor and ODH. Rep. Paul Zeltwanger (R-Mason) is the chair with Rep. Terrence Upchurch (D-Cleveland) as the vice chairman. Hearings are posted here.
- **Rainy Day Fund** – Speaker Householder stated it is likely Ohio will have to dip into its $2.7 billion rainy day fund to stabilize the state budget amid the coronavirus crisis.
- **Unemployment** – Ohio expanded unemployment eligibility by waiving the one week waiting period and allowing those needing to self-quarantine by doctor's order to receive unemployment compensation. Ohio limits payments to a maximum of 26 weeks but Congress added 13 weeks of payments after state payments end, for a maximum of 39 weeks for up to half of your average weekly wage over 20 weeks plus Congress added an extra $600 a week through the end of July.
- **Tax Filing** – Ohio moved the state tax filing deadline to July 15 to align with the federal deadline.
- **Schools** – The legislature passed legislation enabling schools to pass students from one grade to the next, use online learning and skip the regular statewide testing. They also lifted the cap on distance learning credits, removed testing and report card requirements, and froze the school voucher (Ed Choice) decisions. Additionally, any senior that was on track to graduate will graduate at the close of the school year.
- **Primary Election** – With Ohio's March 17 primary being canceled due to the pandemic, the legislature voted to extend mail-in voting until April 28. Ohioans who have not yet voted can request a ballot online or by phone. Ballots must be postmarked by April 27 or returned to your county board of election before polls close on April 28.

Alternative Healthcare Sites

Governor DeWine announced a plan to expand healthcare services at alternative sites in addition to the traditional medical care facilities should they be needed for potential COVID-19 surges. These sites were selected based on distance to an existing hospital, conditions safe for patients and health care professionals, and space to meet the region's expected needs.

1. Seagate Convention Center, Lucas County
2. Case Western Reserve University's Health Education Campus, Cuyahoga County
3. Dayton Convention Center, Montgomery County
4. Covelli Convention Center, Mahoning County
5. Duke Energy Convention Center, Hamilton County
6. Greater Columbus Convention Center, Franklin County

Hospital Impact

Ohio hospitals are facing $1.2 billion in monthly revenue drop from suspending elective procedures during the pandemic. On March 17, the Ohio Department of Health ordered suspending all but essential surgeries and procedures. They are allowed, if necessary, to preserve life, an organ or limb, or to prevent the spread of cancer or progression of a disease to severe symptoms. This freeze on their main income due to across-the-board cancellations of scheduled procedures can account for about 85% of the $1 billion-plus hospitals are losing monthly during this situation. Those surgeries pay the bills so hospitals can offer obstetrics, mental health

and other services. Annual revenue is about $48 billion for 236 hospitals and 14 systems. There are 68 hospitals in the state with an operating margin below 2%, and 52 are at or below 0% operating margins – by the end of this crisis, some will be forced to close. The income loss for hospitals is already prompting furloughs of mostly administrative positions and some clinical professionals as well. In addition to this financial loss, COVID-19 has infected 1 in 5 healthcare workers in Ohio – more than 1,300 health care workers across the state.

Fortunately, State Treasurer Sprague launched the Variable Rate Demand Obligation (VRDO) Stabilization Program and is working to buy up to $900 million in short-term debt that Ohio hospitals commonly issue to help fund their operations to help hospitals borrow money at a lower cost because many of their borrowing costs have spiked dramatically. That will save the hospitals hundreds of thousands or millions of dollars in interest each year. In addition, the $2 trillion federal CARES Act that was enacted in March allows hospitals to receive an advance on expected future Medicare reimbursement and allocates $100 billion to reimburse eligible healthcare providers for related expenses or lost revenues directly attributable to COVID-19. While these measures provide liquidity support, Moody's still expects the coronavirus to have a "significant negative impact" on hospitals' cash flow in 2020.

Food Assistance
The U.S. Department of Agriculture (USDA) Tuesday approved a request from ODJFS to use USDA food from The Emergency Food Assistance Program (TEFAP) for disaster household distribution. The approval runs through April 30 and will enable ODJFS to serve 1.25 million Ohioans through its network of 13 foodbanks and more than 2,800 distribution sites. DeWine also signed an executive order that provides nearly $5 million in emergency funding from the Temporary Assistance to Needy Families (TANF) block grant to support Ohio's 12 Feeding America foodbanks and the statewide hunger relief network. The funding will be used to purchase available items such as canned fruits and vegetables; canned meats; cereals, pastas and rice; boxed dinners; locally grown produce; locally produced milk, butter, cheese and dairy products through partnerships with the Ohio Dairy Producers Association, Dairy Farmers of America – Mideast Area and the National Farmers Organization; fresh meat and eggs; and essential household cleaning and personal hygiene items.

COVID-19 Response
- **Personal Protective Equipment (PPE)** – The Ohio Manufacturing Alliance, 19 manufacturers partnering with three hospital groups, began large scale production of face shields. Over the next five weeks, 750,000 to 1 million face shields will be added to the Ohio's stockpile. Resources can be found here.
- **Mask & Respirator Sterilization** – FDA authorized Battelle to deploy the Critical Care Decontamination System, which sterilizes surgical masks, without a daily limit. The system has the capability to sterilize 80,000 masks per day, per system (there are two at this time). Battelle was originally only authorized to sterilize 10,000 per day. A frustrated Governor DeWine contact FDA and President Trump and within 24 hours the system was approved without limits. Then, STERIS Healthcare in Mentor was granted a temporary Emergency Use Authorization for decontaminating compatible N95 and N95-equivalent respirators.
- **Testing and Ventilators** – On April 1, Ohio Department of Health banned hospitals in the state from sending coronavirus tests to private, third-party labs, citing the wait time on private labs was too long. All hospitals must send tests to major healthcare systems. Additionally, Dr. Acton issued an order requiring statewide inventory of ventilators.
- **Plasma Treatment** – An experimental treatment using plasma from COVID-19 survivors to treat patients fighting the disease was approved for use in Ohio. Lindner Research Center at The Christ Hospital in Cincinnati developed the protocol and will oversee a study in its use at hospitals across the state, but it needs to find donors.

Regional resources — Columbus, Cleveland, Cincinnati, and Dayton
Ohio Questions — 1-833-4-ASK-ODH or Together@governor.ohio.gov
Bioscience industry resource — BioOhio

Please let us know any questions and be sure to register for our Webinars.

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