TESTIMONY OF

The Honorable Gretchen Whitmer Governor State of Michigan

HEARING ON

"On the Front Line: How Governors are Battling the COVID-19 Pandemic."

Subcommittee on Oversight and Investigations Committee on Energy and Commerce United States House of Representatives June 2, 2020

Chair DeGette, Ranking Member Guthrie, and members of the Subcommittee, thank you for the opportunity to speak with you today regarding COVID-19, its impact on the state of Michigan, and how we have worked to respond to this unprecedented public health crisis.

On March 10, 2020, the day that Michigan confirmed its first COVID-19 cases, I declared a state of emergency to address the COVID-19 pandemic. Scarcely three weeks later, the novel coronavirus had spread rapidly across The Great Lakes State. As of April 1, 2020, the state had 9,334 confirmed cases of COVID-19 and 337 deaths from the disease, likely with many thousands more infected, but not identified. Exactly one month later, this number had ballooned to 42,356 confirmed cases and 3,866 deaths from the virus—a tenfold increase in deaths. The virus's rapid and relentless spread threatened to overwhelm the state's health care system, with hospitals in multiple counties reportedly at or near capacity and medical personnel, supplies, and resources necessary to treat COVID-19 patients in high demand.

Since I first declared an emergency in response to this pandemic, my administration has taken aggressive measures to fight the spread of COVID-19, prevent the rapid depletion of the state's critical health care resources, and avoid as many deaths as possible. To that end, and in keeping with the recommendations of public health experts, I have issued orders restricting access to

places of public accommodation and school buildings, limited gatherings and travel, and requiring workers, who are not necessary to sustain or protect life, to remain at home. I have also issued orders enhancing the operational capacity and efficiency of health care facilities and operations, allowing health care professionals to practice to the full extent of their training regardless of licensure, and facilitating the delivery of goods, supplies, equipment, and personnel that are needed to combat this pandemic.

My administration has also moved quickly to mitigate the economic and social harms of this pandemic. Through my executive actions, we have placed strict rules to prevent price gouging, put a temporary hold on evictions for families that cannot make their rent, expanded eligibility for unemployment benefits, provided protections to workers who stay home when they or their close contacts are sick, and created a structure through which our schools can continue to provide their students with the highest quality educational opportunities possible under the difficult circumstances now before us. These statewide measures have been effective, but the need for them—like the unprecedented crisis posed by this global pandemic—is far from over.

Though the numbers have mostly trended in the right direction, the COVID-19 virus remains aggressive and persistent: as of May 29, 2020, there have been 56,621 confirmed cases of COVID-19 in Michigan, and 5,406 deaths from the virus. There remains no single treatment or vaccine for the virus. It remains easy to transmit, passing from asymptomatic individuals, and we still lack adequate means to fully test for it and trace its spread. COVID-19 remains present and pervasive in Michigan, and it stands ready to quickly undo our recent progress in slowing its spread.

Personal Protective Equipment (PPE)

There was a time in March when some hospitals in our state did not have enough masks, face shields, gowns, or gloves to last one day. The federal government delivered several allocations of PPE from the Strategic National Stockpile (SNS), but they were dangerously insufficient to meet our needs in the early days of the virus's spread.

As the lead agency for pandemic response shifted from HHS to FEMA and the White House Coronavirus Task Force was stood up, confusion spread. The state was directed to request needed supplies from FEMA, then told that we would receive population-based allocations from the SNS, unreflective of our need. President Trump told governors that states should seek out their own supplies on the private market, and yet suppliers were claiming they were being directed to sell to the federal government rather than states. As the state pursued PPE on the national and international markets, the lack of centralized coordination at the federal level created a counterproductive competition between states and the federal government to secure limited supplies, driving up prices and exacerbating existing shortages.

By mid-April, through the hard work of our procurement office, private donations, and assistance from FEMA, the state had enough PPE to last our hospitals several weeks, and this continues to be the case. We are also able to provide PPE to first responders, long term care facilities, and workers at mobile testing sites.

Like with testing supplies, PPE shipments from FEMA have been irregular and unpredictable, and inaccurate information about what to expect has made planning difficult. Despite initial challenges, we appreciate the PPE the federal government has provided the state, hospitals, and long-term care facilities directly.

As we have begun advising industries on protective guidelines to consider as our economy looks to return to some normalcy, the Michigan Economic Development Corporation unveiled the Pure Michigan Business Connect (PMBC) COVID-19 Procurement Platform. The PMBC offers a free procurement program to assist businesses in accessing non-medical grade PPE to keep their employees and customers safe as they resume in-person operations, as outlined in Executive Order 2020-97. We want to ensure we are opening up in a way that is safe, smart, and does not undo the progress we have made in flattening the curve of COVID-19. Through this platform, we can help employers access the PPE they need to ensure their employees feel safe returning to work, while also supporting Michigan businesses that will be critical to economic recovery efforts.

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¹ PMBC COVID-19 Procurement Platform. Michigan Economic Development Corporation.

² Executive Order 2020-97.

Testing

Testing is the foundation of COVID-19 crisis response. To safely reengage our economy and resume in-person social activities, we must respond nimbly to new data about transmission and health risks of the virus, which is why our ability to test our population remains paramount. Through herculean efforts, Michigan has made strides in scaling up testing in the state. Throughout much of April, our state averaged about 5,000 tests per day. Several weeks later, our average has tripled to roughly 14,500 tests per day. We are on track to conduct about 375,000 tests during May, well over three percent of the state's population.

We are approaching the state's near-term goal of completing 15,000 tests per day and will continue expanding upwards to 30,000 tests per day, in line with recommendations from public health experts.

Several components of our strategy have contributed to this progress. Over the last month, Michigan has been laser focused on testing high-risk facilities. During May, the Michigan National Guard conducted over 45,000 tests in these facilities, including a sprint to test all 38,000 prisoners held within Michigan Department of Corrections' facilities in 15 days. I thank the men and women of the Michigan National Guard for their service during this critical time. I welcome the extension of Title 32 authority that the President has granted until mid-August, which will allow these Guard members to continue their vital contributions to our testing endeavor. The state continues to facilitate broad testing within several other types of congregate care facilities, including skilled nursing facilities, adult foster care, local jails, homeless shelters, and settings that host migrant agricultural workers.

The state is also pushing to expand community-based testing and making it easier for patients to access testing. Over 250 test sites operate across Michigan, and we plan to add more, with a focus on underserved areas like majority-minority communities and rural communities. We have simplified access to testing by expanding the types of medical professionals who can order a test and ensuring that our state hotline can help patients find a test site that meets their needs.

Finally, to reach our goals, Michigan is tackling testing supplies and capacity by maximizing use of testing platforms and partnering with a wide range of laboratories to conduct testing. For polymerase chain reaction (PCR) tests that can diagnose infected persons, at least 57 hospital

laboratories, 9 in-state commercial laboratories, and the Michigan State Laboratory have COVID-testing capabilities. Together, these entities report capacity to test about 25,000 people per day, if corresponding supplies were available.

Despite the progress outlined above, we still have so far to go to reach the level of testing needed to protect Michiganders as fully as possible.

Supply shortages continue to limit how many tests Michigan can conduct each day, even as we work tirelessly with our federal partners and private vendors to secure the supplies needed.

I commend the work and attention FEMA Region V has given to Michigan during this crisis and Administrator James Joseph and his team have been great partners, yet the overall federal response on this front has been uneven. Uncertainty about the availability of supplies and the federal government's role in directing the allocation of these supplies has hindered our ability to coordinate our testing strategy. As has been well-documented, in the early months of the epidemic, testing supply availability was extremely limited, information was scarce, and the federal role in supporting testing was equally narrow. In May, we began receiving significant numbers of swabs from FEMA, a substantial boon to our efforts. While we are deeply appreciative of the supplies received to date, we are often given little, and in some cases inaccurate, information about the types of supplies being shipped to the state, which makes planning difficult. As you know, not all laboratories can accept all types of materials, so unexpectedly receiving, for example, a new type of swab or unlabeled vials of saline, can require fully reworking allocation plans. Supplies could be allocated more quickly if a more detailed breakdown was provided and if supplies were shipped at a regular cadence.

Similarly, federal efforts could greatly support efforts to make it easier for patients to access testing. The testing funding allocated in the Paycheck Protection Program and Health Care Enhancement Act provides vital support, as do provisions protecting individuals from co-pays for testing and reimbursing providers for testing uninsured individuals. These provisions, though, still create a patchwork where a person could fall through the cracks and face out-of-pocket costs. A strong, certain guarantee of free testing, combined with an equally strong outreach campaign to encourage Americans to get tested, would go a long way in helping us reach the testing levels needed. Last but not least, increased guidance from the U.S. Centers for Disease

Control and Prevention on best practices for testing key populations would help inform the state's response.

Contact Tracing

Over 8,000 individuals have volunteered to be contact tracers for the state and roughly 500 have been fully trained and are being actively deployed. We have also heard from universities and colleges across the state who are eager to help. The state is already deploying this volunteer workforce to various local health departments (LHDs) around the state and launched its centralized effort on May 7. We expect that this effort will scale over time, but the experience of other states leads us to believe that we will need to hire a substantial number of staff to be a full-time/professional workforce. Given that contact tracing also occurs in local health departments, our local partners will also need additional support. To date, many of their staff have been reassigned to do contact tracing, but the critical work they do in immunizations, vaccinations, family planning, and other critical local services cannot be set aside forever.

The state has also partnered with a technology vendor to develop a tool that will enable volunteers and paid staff to conduct contact tracing remotely. This technology will enable us to text contacts and either alert them that we are calling or ask them to check in on their symptoms via text as opposed to via a manual daily phone call.

The state has issued formal guidance to local health departments on our expectations for performance around case investigation and contact tracing. This includes contacting all potential cases within 24 hours, eliciting contacts from at least 50% of those cases, and contacting all contacts within 24 hours of identification. The state has also offered technical assistance to any local health department that is having challenges meeting these goals. We have invested resources in mass media, social media, and local engagement campaigns to increase the percentage of individuals who pick up the phone. We know there are many populations who are unlikely to answer a phone coming from a strange number, and we are trying to get the word out about the importance of response during this critical time.

Michigan Coronavirus Task Force on Racial Disparities

The COVID-19 pandemic has impacted so many in my state, but disproportionately so to those in communities of color in Michigan. While African Americans are 13.6 percent of Michigan's

population, they have represented a staggering 40 percent of the deaths from COVID-19, so in April, I signed Executive Order No. 2020-55 creating the Michigan Coronavirus Task Force on Racial Disparities.³ Chaired by Lieutenant Governor Garlin Gilchrist II, this task force is studying the causes of racial disparities in the impact of COVID-19 and recommending actions to immediately address such disparities and the historical and systemic inequities that underlie them.

In working with a diversity of stakeholders to provide valuable insights on engaging with the community, local government, and health systems on this important issue, the task force has, and will continue to, recommend actions to address the disparities issue and suggest ways to: increase transparency in reporting data regarding the racial and ethnic impact of COVID-19; remove barriers to accessing physical and mental health care; reduce the impact of medical bias in testing and treatment; mitigate environmental and infrastructure factors contributing to increased exposure during pandemics resulting in mortality; and develop and improve systems for supporting long-term economic recovery and physical and mental health care following a pandemic.

This virus had held a mirror up to our society and reminded us of the deep inequities in this country. From basic lack of access to health care, transportation, and protections in the workplace, these inequities hit people of color and vulnerable communities the hardest. This task force will help us start address these disparities right now as we work to mitigate the spread of COVID-19 in Michigan. Some of the specific, initial recommendations from the task force have been: developing a new, flexible model to make testing more easily accessible to vulnerable populations; connecting people without doctors to primary care physicians; and sharpening our communications tactics to better reach the communities most impacted by this pandemic.

Let me also add: the task force is dedicated to Skylar Herbert, a Detroit girl whose parents are first responders. At 5 years old, Skylar is the youngest person in Michigan to have died of the coronavirus.

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³ Executive Order 2020-55.

Economic Impacts

The economic havoc wrecked on the state's residents and our state and local government budgets by the coronavirus has been severe. Between March 15 and May 13, close to 1.8 million Michiganders filed initial unemployment claims—the fifth highest nationally, amounting to nearly 36 percent of our workforce. With an unemployment rate recently calculated at over 22%, people are hurting across the state. Michigan has processed more unemployment claims in a single day than during the worst week of the Great Recession, and we have already reached the highest unemployment rate since the Great Depression. COVID-19 has hit Michigan's economy hard, as just two weeks ago, we learned through our consensus estimating process that our state budget is faced with a \$6.2 billion loss in revenue over the remainder of this fiscal year and next. This is not news that any state wants to hear, but it is reality.

In addition to facing a public health emergency unlike any we have seen in our lifetimes, COVID-19 has also left Michigan and every other state with a fiscal crisis that creates unprecedented budget challenges. Early in this crisis, I joined with my regional fellow governors from Wisconsin, Minnesota, Illinois, Indiana, Kentucky, and Ohio to work on common concerns presented by the virus. Michigan is a well-managed state with a good credit rating and a healthy rainy-day fund, but COVID-19 has created a budget crisis that is being faced by every state in the nation. As a result, state and local governments are struggling to provide essential services. As recently estimated by the Center on Budget and Policy Priorities, the budget shortfalls for states over the next three years due to the economic fallout of COVID-19 is projected to be \$765 billion.⁴

Right now, the language in the CARES act does not allow states the flexibility we need to address our revenue shortfalls. In Michigan, our rainy-day fund has a balance of more than \$1.2 billion, but even if we were to draw every cent from that fund, we still would not come close to solving a \$6.2 billion budget problem. Michigan has been hit exceptionally hard by COVID-19,

⁴ "Projected State Shortfalls Grow as Economic Forecasts Worsen." Center on Budget and Policy Priorities. May 20, 2020.

and our state revenues have been drained because of it. I appreciate the federal assistance provided to states to date, but more is needed to support our response to this crisis. States are facing budget shortfalls that will require us to make impossible choices that will harm communities from border to border. A broader solution is needed, and Congress must come together to provide it. Without more funding and more flexibility in existing and future federal funding, state and local governments will be unable to maintain existing critical support for education, public safety, and health care.

MI Safe Start: A Plan to Re-Engage Michigan's Economy

All of us know the importance of getting people back to work and the economy moving again. As outlined in my plan to re-engage Michigan's economy - MI Safe Start - we need to expand testing and require people who test positive, or are close contacts of those who do, to self-isolate. We have already loosened some restrictions on lawn care, construction, manufacturing, real estate, and retail for example, but moving too fast, without the testing we need, could put Michigan at risk of a second wave of infections. The most important thing right now is to listen to the experts and follow the medical science.

As defined in the MI Safe Start Plan, Regions 6 and 8 encompass a large swath of northern Michigan and also our Upper Peninsula, and these were the first parts of the state where I was able to lift stay home restrictions and allow for more industries, like bars and restaurants, to reopen. As with previous announcements, businesses that reopen must adhere to strict safety measures to protect employees, customers, clients, and patients. The worst thing we can do is to open up in a way that causes a second wave of infections and death, putting our frontline heroes — our health care workers, first responders, grocery store employees, delivery drivers, utility workers, childcare providers and school employees - at further risk. We owe it to them to do what we can to stop the spread of COVID-19. The last thing we want to do is to add an additional threat to their lives or eliminate the progress we are making to flatten the curve and respond to COVID-19.

We have made progress in fighting COVID-19 in Michigan. My phased-in reopening plan will help ensure we keep more people free from this virus. As always, we will be guided by the facts

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⁵ MI Safe Start Plan. May 7, 2020.

in deciding whether to transition from one phase to another, and we are looking at data every day to understand where we are: data that tells us where the epidemic is spreading, whether our hospitals and other health-care providers can safely cope with any surge in infections, and whether our public health system is up to the task of suppressing new outbreaks.

As my state moves to reopen its industries and economy, we are cautious to remain ever vigilant against this virus. Though leaders in the medical field have said a decline in the transmission of the coronavirus is expected through the summer months, a second wave is a real possibility come the fall and winter, which would then dovetail with the onset of the flu season as well. Beyond the health implications, the economic pain associated with a second wave of COVID-19 would be tremendous should stricter stay home measures need to be considered again to contain the virus.

Conclusion

Thank you for allowing me to participate in this hearing today to tell Michigan's story.

Since being sworn in as Michigan's 49th Governor last year, I could neither have imagined dealing with a polar vortex weather event, which hit my state during my first days in office, nor a 100-year event public health crisis like COVID-19. Add to that the recent 200-year rain event that ravaged parts of my state in late May, and suffice it to say, it has been an eventful start. Michiganders have always been resilient, and it is this determination for which I am tremendously proud of and will allow us to get through anything.

I look forward to working with you and my fellow governors as we continue to tackle the crisis COVID-19 has presented to the world and our citizens at home.