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FULL COMMITTEE HEARING ON THE CHALLENGES OF THE 2009-H1N1 INFLUENZA AND ITS POTENTIAL IMPACT ON SMALL BUSINESSES AND HEALTHCARE PROVIDERS

HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS
UNITED STATES
HOUSE OF REPRESENTATIVES

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FULL COMMITTEE HEARING ON THE CHALLENGES OF THE 2009-H1N1 INFLUENZA AND ITS POTENTIAL IMPACT ON SMALL BUSINESSES AND HEALTHCARE PROVIDERS

Wednesday, September 9, 2009

U.S. HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The Committee met, pursuant to call, at 1:08 p.m., in Room 2360, Rayburn House Office Building, Hon. Nydia M. Velázquez [Chair of the Committee] Presiding.

Present: Representatives Velázquez, Moore, Dahlkemper, Schrader, Ellsworth, Luetkemeyer and Thompson.

Chairwoman VELÁZQUEZ. I call this hearing of the Committee to order.

Every flu season we encourage Americans to take precautions like getting vaccinated and washing their hands. However, this year's flu season is different. Because of H1N1, our Nation can expect a new set of public health issues. For those in the small business community, the 2009 H1N1 flu season will mean new challenges.

The World Health Organization and the CDC announced the outbreak of H1N1 in March. By July, the number of confirmed cases have reached 100,000. While it is too early to tell how fast the virus will spread, it is almost certain that a pandemic will mean significant economic consequences. The CBO has suggested a full-blown pandemic could draw $700 billion out of our economy at a time when we cannot afford any economic setbacks.

The administration recently released its plan for employers to respond to and prepare for H1N1. This week we expect to see a similar plan that is specifically tailored for small businesses' needs. Today's hearing will look at these recommendations and the issues facing small firms.

For small companies this year's flu season raises many questions. How should small businesses handle leave policy? One of the best ways to combat the spread of H1N1 is to encourage employees to stay home if they are ill. Clearly, limiting exposure is important for fighting the spread of flu; however, sending too many workers home can also impede small firms' operations.

While most small business owners want to be responsible and protect their employees' health, we also want to ensure that they do not needlessly slow down their operations. Big companies usually have enough employees to continue operating even when part

of their workforce grows ill. That isn't always the case for small businesses. So we cannot assume that solutions that work for big firms will work for small ones.

We also need to think about how disruptions to small businesses will impact the flow of commerce. Entrepreneurs rely on other firms to provide them materials, but they also supply products to other businesses. If H1N1 interrupts the supply chain, there are questions about how the overall flow of goods and services will be affected.

We need to examine these problems and think about solutions for minimizing this economic ripple effect. Perhaps, most of all, we must look at what tools are available to help small businesses as we head into flu season and consider whether those tools are sufficient.

Just as small employers are taking steps to slow the spread of H1N1, entrepreneurs will be critical to helping our Nation overcome this pandemic. Some of the most promising research is conducted by small companies. As we race to develop effective vaccines, these companies will be instrumental. Small health-care providers have always been the core of our medical system. Eighty percent of doctor office visits take place in a small practice. These providers will be vital in distributing vaccinations and treating Americans who fall sick.

Clearly all types of small businesses will be on the front line this flu season. As employers, as health-care providers, and as a source of medical innovation, entrepreneurs will be an important part of how our Nation responds to this public health problem.

At this stage numerous questions remain unanswered. All of us hope that infection rates are moderate, but regardless, the wisest course of action is for all of us to be—the most important thing is to be prepared.

Today's hearing will explore how small businesses can help us through this year's flu season, the challenges they face, and what we did do to support their efforts.

With that, I thank our witnesses for being here and yield to Ranking Member Mr. Thompson for an opening statement.

Mr. THOMPSON. Madam Chairwoman, thank you for calling this hearing on a very important issue, the H1N1 influenza virus and its effects on small businesses and family farms and health-care providers, and thank you to all the witnesses who are testifying today.

The H1N1 flu virus appeared in the United States in late April of 2008. Since that time the World Health Organization and the Centers for Disease Control have said that there is no evidence that H1N1 is spread by the consumption of food. Nevertheless, pork consumption is down, and exports of pork and pork products have declined, and farmers, owners of the related industries and their communities are feeling the negative ripple effects.

Now, this comes at a time when small companies are already struggling in a difficult economy. Small businesses of all kinds have been affected by H1N1, and this hearing will provide an opportunity for us to examine the many related issues that center around this.

Madam Chairwoman, I look forward to hearing from our witnesses, and I yield back the balance of my time.

Chairwoman VELÁZQUEZ. And now I want to welcome the Honorable Rebecca Blank. Ms. Blank is the Under Secretary for Economic Affairs at the U.S. Department of Commerce. She has been confirmed by the Senate and was sworn in on June 9. In this position Dr. Blank's principal responsibilities include economic forecasting, consultation with the private sector, and policy analysis. Welcome.

STATEMENT OF REBECCA M. BLANK

Ms. BLANK. Madam Chairwoman, Representative Thompson, and other members of the Committee, thank you very much for inviting me to be here this afternoon. I appreciate the opportunity to appear and discuss the efforts of the Department of Commerce to educate businesses, including small businesses, on how to minimize the negative economic impacts of the H1N1 virus.

I commend the Committee's focus on this topic. We don't know the specific course that the H1N1 flu will follow over the next few months, but we do know there are actions that can be taken to minimize its impact. The Obama administration has developed preparedness guidance and is working with State and local governments and the private sector to promote awareness of these steps.

It is predicted that the arrival of the H1N1 flu, in conjunction with the regular seasonal flu, will bring more illness. The more severe the flu outbreak, the greater the impact on the economy. We don't know precisely what these impacts will be, but it is likely that businesses will be confronted with greater absenteeism as their employees or family members become ill, which will in turn affect productivity.

In a more severe outbreak, concern about the flu can lead people to avoid public places. This will reduce consumer spending and means that some industries, such as travel and tourism, retail sales, and service-oriented businesses will experience greater economic impact than others.

Just recently Secretary Locke participated in several outreach calls to CEOs in the retail, travel, tourism, and technology sectors. The response to that outreach has been very positive. The Department will remain in contact with the business community on this matter through an outreach plan that will provide regular opportunities to share information, promote preparedness, and monitor responses should H1N1 occur this fall.

Let me emphasize that all businesses, including small business, should develop plans in advance to respond flexibly to either the current level of severity or a more severe flu outbreak. The coming influenza season is likely to prove challenging, especially to small businesses, as they can easily be affected by the absence of just a few key employees. Small businesses may have fewer resources available to cope with unexpected events. That is all the more reason for them to prepare now for how they would handle future problems.

Whatever the magnitude of the flu outbreak, there are steps that can and should be taken to mitigate the impact of the upcoming

flu season on productivity and to better protect workers and their families.

The Interagency Committee Guide has recommended that businesses establish an influenza plan and involve employees in development and review. This may be particularly important for small businesses where there is more need for employees to take over responsibilities when other employees become absent.

Understand the organization's normal seasonal absenteeism rates so that businesses can monitor any unusual increases and know if they are being affected. Engage with local health authorities to confirm channels of communication to know if the local outbreak is becoming more severe; share best practices with other similar businesses; and implement sick-leave policies that are flexible and consistent with public health guidance so sick employees may remain home.

Unfortunately, it is possible that the flu outbreak in the coming season could be worse than what we experienced in early 2009. In this case there may be a need to implement plans that would allow more workers to telecommute or temporarily limit noncritical activities.

Businesses should follow updates on the course of the flu to be aware of changes in occurrence and severity in their local area. The most up-to-date information on this will be available on the www.flu.gov Web site. I have been told by my staff to repeat that Web site as often as possible. It is the most authoritative source of information for people.

We cannot stop the flu season, but with adequate preparation and planning, we can minimize its impact on people, businesses, and the economy.

Thank you for the opportunity to testify on the activities of the Department of Commerce. We look forward to continuing our collaboration between the Department and the agencies represented here today, as well as other Federal agencies and the business community. I look forward to your questions.

Chairwoman VELÁZQUEZ. Thank you, Dr. Blank.

[The statement of Ms. Blank is included in the appendix.]

Chairwoman VELÁZQUEZ. And now it is my pleasure to welcome Rear Admiral Anne Schuchat. She is the Assistant Surgeon General for the United States Public Health Service. She is also the Director of the National Center for Immunization and Respiratory Diseases. Dr. Schuchat has played a leadership role in the Health and Human Services response to the 2009 H1N1 influenza virus.

Welcome.

STATEMENT OF REAR ADMIRAL ANNE SCHUCHAT

Admiral SCHUCHAT. Good afternoon. Thank you, Chairwoman Velázquez and distinguished Committee members. I am Dr. Anne Schuchat, the Director of the National Center for Immunization and Respiratory Diseases, and delighted to be able to update you on the H1N1 situation.

Increased disease from the 2009 H1N1 virus has already begun in the Southeastern States, and we expect in the coming months more and more communities around the country to experience increases of influenza, including this new virus. Communities may be

more severely affected, reflecting wider transmission and potentially greater impact. Seasonal influenza viruses may continue to circulate at the same time as the H1N1 virus this fall and winter. It is also difficult for us to predict the severity that these outbreaks will have, the number of hospitalizations, the deaths that will occur due to either the H1N1 virus or seasonal flu.

Small businesses play a vital role in community functioning during influenza pandemics. They form the critical backbone of supply chains for larger businesses and are central to the strength of local economies. Many health-care providers are also small businesses, and they are critical to caring for patients, to delivering vaccine, and to managing and informing influenza decisionmaking in their communities, yet small businesses also suffer disproportionately during disasters, and they are especially susceptible to the negative economic impacts of an influenza pandemic.

The CDC and Health and Human Services work closely with the Department of Homeland Security, the Department of Labor, Department of Commerce, and the Small Business Administration to help small businesses address issues they may face during an influenza pandemic. In response to our expected spread of the 2009 H1N1, CDC has updated our recommendations to assist businesses and other employers of all sizes, and, in fact, we are now working on updating guidance that will address the small business community in particular.

The guidance for small businesses will recommend that small businesses should plan for and respond to two possible scenarios: One where the severity of illness is similar to what we saw in the spring and summer, and a second scenario where the severity might be worse.

Even if the severity of this virus doesn't change, though, small businesses should expect that there will be more illness this fall and winter, and that this may significantly raise the levels of absenteeism and could have an impact on their business operations.

That second scenario of greater severity involves more people becoming ill with severe illness, more hospitalizations, and even more deaths, an even greater escalation of absenteeism. Businesses need to be ready to implement strategies to protect their workforce while ensuring continuity of operations.

During an influenza pandemic, all sick people should stay home and away from the workplace. Hand washing and covering your cough continues to be important, and routine cleaning of commonly touched surfaces is also important.

Employers of all sizes should consider plans to implement flexible sick-leave policies. CDC recommends that employees with influenza illness stay home until at least 24 hours after their fever is gone. Sick employees would be out for about 3 to 5 days in general, even if antiviral medications are used. Businesses should also not require a doctor's note for workers who are ill with influenzalike illness to validate their illness or to return to work. A doctor's visit might strain the health system and isn't needed for most people with influenzalike illness.

Businesses should also inform employees that some people are at higher risk of complications from influenza. People at higher risk should check with their health-care providers if they become ill.

Early treatment with antiviral medicines is important for people at high risk because it can help prevent hospitalizations and death.

CDC also recommends businesses encourage employees who are recommended for the seasonal flu vaccine and for the 2009 H1N1 vaccines get vaccinated as soon as those vaccines are available in their communities.

Small businesses should consider developing other flexible leave policies to allow workers to stay home to care for sick family members or for children if schools dismiss students of child-care programs or if child-care programs close.

It may be helpful to consider ways to cross-train workers to perform essential functions so the workplace is able to operate even when key staff are absent. To maintain critical operations, small businesses should be prepared to change business practices as needed during an outbreak. Small businesses should prepare to identify alternative suppliers, for instance, or prioritize customers, or temporarily suspend some operations if that is needed.

So I want to end with stressing four points that small businesses can take. Plan now to prepare for the impact of flu this fall and winter; take into account two planning scenarios: similar severity and greater severity; protect your workforce by encouraging people to stay home if they are sick; and take steps to maintain continuity of operations even during high levels of absenteeism.

We are working across government to try to develop practical, clear guidance and tools that small business can use to protect their workforce and maintain operations during what I think is going to be a challenging flu season.

Our Nation's current preparedness is at the greatest stage it has ever been, but we all need to work together going forward, and I look forward to working with the Congress in answering your questions.

Chairwoman VELÁZQUEZ. Thank you, Dr. Schuchat.

[The statement of Admiral Schuchat is included in the appendix.]

Chairwoman VELÁZQUEZ. And now I welcome Mr. Bridger McGaw. He is the Assistant Secretary for the Private Sector in the Office of Policy in the Department of Homeland Security. The Private Sector Office engages businesses, trade associations, and other nongovernmental organizations to foster a dialog between DHS and the private sector.

STATEMENT OF BRIDGER McGAW

Mr. MCGAW. Chairwoman Velázquez, Ranking Member Thompson, and members of the Committee, thank you for the opportunity to discuss the Department of Homeland Security's effort to prepare small businesses for the upcoming flu season.

I am Bridger McGaw, the Acting Assistant Secretary for the Private Sector Office, and I have held this position since March of this year. As Homeland Security Presidential Directive 5 states, the DHS's role in a pandemic is to act as the principal Federal official for domestic incident management.

In anticipation of this year's flu season, DHS has worked extensively with our interagency partners to provide H1N1 flu guidance for schools, universities, and businesses. This includes the development of a guide for small businesses. By providing this guidance,

DHS is promoting tools that individuals and businesses can use to mitigate the impact of H1N1 and help minimize disruptions in society and the economy.

Preparedness is a shared responsibility of the public and private sector as well as every household and business of every size. As this spring's outbreak developed, Secretary Napolitano stressed the importance of getting timely information out to the public, including the private sector, about the extent of the outbreak, the government's response efforts, and guidance on what the public could do to stay healthy.

We found that businesses of all sizes generally had very similar information needs. They want to know what was happening from a medical perspective and what they should do to mitigate the potential impact of the outbreak. DHS employed several strategies to get this information out to the broadest base possible. We held press conferences and phone briefings, sent out e-mail updates, met with various stakeholders, and held a flu summit in July. In each case, we coordinated with HHS and CDC and our partners in the Federal agencies.

The private sector responded very positively to these outreach efforts. For example, the American Hotel and Lodging Association, which estimates that half of their 11,000 members are small businesses, applauded DHS's updates, using the information to inform their membership.

When the spring outbreak transitioned to a steady state, DHS worked with the interagency to take advantage of these summer months before the fall flu season to update our planning resources for businesses, schools, and universities. As a result the Federal Government has released guidance for all three of those elements.

In conjunction with the business guidance, DHS also created a short, user-friendly guidebook on H1N1 preparedness aimed at small businesses. This guide highlights how to make a plan to ensure their continued operations, steps businesses can take to protect their environment, and steps that employees can take to protect themselves from H1N1. The small business guide is in the final stages of review and will be available at flu.gov soon.

To reach America's 30 million businesses, 99 percent of which are small businesses, my office partners with umbrella organizations that can disseminate updates and guidance throughout their networks. For example, we work with the U.S. Chamber of Commerce, the National Association of Manufacturers, the National Retail Federation, all of which represent small businesses.

My office also regularly works with local Chambers of Commerce, which are typically comprised of small and local businesses. For example, the Business Council of Fairfield County, Connecticut, recently distributed our e-mail update to their 300 members and posted links to flu.gov on their Web site.

This hearing is especially timely, given that September is National Preparedness Month. This month we all need to check in with our family, our workplace, and our community to make sure we have a plan to stay safe in an emergency. Good emergency planning will continue to yield returns for small businesses beyond this fall. By preparing for the flu season, small businesses will also be likely to be prepared for other hazards or threats they may face.

DHS's site Ready.gov is another resource for individual and business preparedness information. In particular, Ready Business has a mentoring initiative designed to help small to medium-size businesses prepare for emergencies.

Materials for small businesses include a sample emergency plan, worksheets to help inventory assets and equipment, and information on dealing with employee concerns, facility management, and more. There are also materials to help business and community leaders lead preparedness workshops and training sessions.

My Senator, the late Ted Kennedy, once said, We do not have to compel citizens to serve their country. All we have to do is ask and provide the opportunity.

This month we are asking all Americans to help us build a more resilient Nation. The opportunity is here. We have provided guidance and planning tools for individuals and businesses to build actionable emergency plans. Now each business and community needs to act on this information.

I would like to also use this opportunity to ask all of you to help us get the word out. As advocates for small businesses and leaders in your communities, we want to work with you to get this information linked on your Web sites to get you the tools you need so you can encourage your constituents to take action now.

The lines of communication to DHS are open, and we remain committed to an ongoing dialog with the private sector and this Committee on how can we can build a more resilient and prepared Nation moving forward.

Chairwoman Velázquez, Ranking Member Thompson, and members of the Committee, thank you for this opportunity to testify. I look forward to your questions.

Chairwoman VELÁZQUEZ. Thank you, Mr. McGaw.

[The statement of Mr. McGaw is included in the appendix.]

Chairwoman VELÁZQUEZ. Admiral Schuchat, a severe influenza pandemic could overwhelm the capacity of our health-care system. Can you envision some of the difficult choices we may be forced to make about care, and what strain will it place on the practice of medicine?

Admiral SCHUCHAT. The challenges of a busy influenza season are great, and we are working actively with the medical community, the health-care system, as well as the private sector to anticipate the kind of challenges that will be out there and to be ready for them. We are trying to develop better tools for providers and for the public to know when they need to see the doctor or nurse and when they don't so that we can relieve some of the pressure on the outpatient offices and avoid those long lines in the emergency department.

For instance, we have testing recommendations that we really don't need to get a test for everyone. The testing for influenza this year really ought to be focused on hospitalized patients.

We are also working with training to make sure that we have intensive care unit capacity and people who know how to work with ventilators and so forth.

So there are a lot of challenges on the health-care system, both the outpatient and inpatient part of it, some of which we can address with training and coordination.

Chairwoman VELÁZQUEZ. What about choices or who gets care and who doesn't?

Admiral SCHUCHAT. At this point what we are tying to do is use the best scientific evidence to understand what kind of care makes the most sense in different circumstances. We also have learned a lot from the Southern Hemisphere about what to expect, and they didn't really have to make those difficult choices of who gets a ventilator and who didn't. They were able to make it through in terms of their intensive care unit capacity.

But we know that there are some communities that are vulnerable, and that is why we have some of the Federal assets available for particular special needs. So at this point we are really trying to use the science of what is going on to make clinical recommendations of who should get what kind of treatment. So we are not really looking at a rationing.

Chairwoman VELÁZQUEZ. Let us talk about resources. Given the existing shortage of physicians, what strategy is the agency employing to improve the capacity of the physician community to provide care during a pandemic? What does this say about this Nation's need to address its shortage of physicians as part of health-care reform?

Admiral SCHUCHAT. Scarce resources in terms of providers is a large problem in many of our communities. For a pandemic we really can't expect to have enough assetseverywhere. In terms of a hurricane, for instance, we can send people from one part of the country to another part of the country, but with a pandemic, everyone may be affected.

We are taking steps to try to broaden the provider community, trying to enroll the Medical Reserve Corps as something we can tap into, for instance, and also understanding when health care professionals are needed or when home care is enough.

So I think that this pandemic hasn't come at a good time in terms of our health-care system's capacity, and what we are trying to do is get as much support ready for the fall as possible.

Chairwoman VELÁZQUEZ. Do you have a sense as to where are the most vulnerable communities?

Admiral SCHUCHAT. There has been an effort to work with States and cities to understand their gaps. They have been submitting reports to us at CDC and at HHS about their readiness, both their health-sector readiness and their public-health readiness, and at this point I think it is fair to say that everyone is going to have a challenge this fall with managing the kind of health-care challenges we expect, as well as a large vaccination program.

What we are trying to do is work across the board with everyone to share best practices and to get resources out to the States and cities, because we know they can't really handle this without those extra resources.

Chairwoman VELÁZQUEZ. Thank you.

Dr. Blank, developing general preparedness guidance seems key to survival of any small business operation during a pandemic, but unlike large firms, the resources of small businesses are much more limited. How do you expect a small business to prepare for a pandemic without placing serious financial strain on itself, particularly in today's financial climate?

Ms. BLANK. It is a very important question. Of course, the answer has to be particular to the specific small business, and will vary by type of business. Cross-training of employees in important, which small businesses do naturally because more employees often cover more functions. Businesses might want to expand that to really think about what would happen if one or two key employees were out, who would take over, and how they could use remaining employees.

Telecommuting in some places where you are not doing customer service may be more possible. They may want to coordinate and communicate with other small businesses in the area so that, say, if you are a small health-care practice, that you could actually work jointly to cover your patients in a way that you wouldn't in normal times.

Chairwoman VELÁZQUEZ. I hear you, and I know that is the right proactive way to plan for a pandemic, but given the constraint on financial challenges that small businesses are going through, it is quite difficult for them to think proactively.

Ms. BLANK. I agree with that. I think it is one reason why we all here are trying to get the word out to both large and small businesses about the need to do some advanced planning, because if this comes, it could come quite quickly to your local area. If you haven't thought about it ahead of time, you will be in worse shape.

As you pointed out in your opening statement, small businesses will be more negatively impacted because they don't have the same flexibility.

Chairwoman VELÁZQUEZ. Mr. McGaw, in light of the recent avian flu scare a few years ago, significant strides have been made to prepare businesses for an H1N1 emergency. What kind of support should small businesses expect from State and local governments during a pandemic, and who will coordinate those efforts?

Mr. MCGAW. Thank you. It is a great question. One of the things that we have been really relying on is the fact that this is a true partnership between the intergovernmental actors at the Federal, State and local level. We are also recognizing that, as we saw in the spring, H1N1 presented itself around the country in different ways at different times and different places, so what that resulted in was an effort to make sure that each of those areas had the right information, and that they were interacting with their local health officials to make informed decisions based on the impact they were seeing locally.

What we were trying to do and continue to do is to inform the decisionmakers, and our Intergovernmental Affairs Office, for instance, works with all the State homeland security advisors and emergency managers to make sure that they are informed with the information that we have. So we work through our intergovernmental processes at DHS.

The key here is that the same information is available from any actor. So you are going to hear the message from the Intergovernmental Affairs Office to the homeland security advisors; you are going to hear it from my office working with our infrastructure protection community and making sure the business community is hearing that; and then you are hearing the same information and guidance coming from the CDC and the health community.

So I think what you saw in the planning for 2006, 2007, was an example of all of listening to each other and working in a more collaborative manner to make sure everyone has the information to make more informed decisions.

Chairwoman VELÁZQUEZ. Well, I am concerned about the fact that the General Accountability Office report, they heard from the private sector the fact that it is unclear for small businesses and businesses about the respective role and responsibility of the Federal and State governments during a pandemic emergency. My question is: Do you feel that there is a coordinated effort between State and Federal Governments in working together for a strategy in terms of preparedness?

Mr. MCGAW. From the Department of Homeland Security side and then maybe from the public health side, I would say very much so; we are coordinating on the governmental level. The shared-responsibility model approach that we have taken is to make sure that State actors have what we know when we know it. We are trying to be very open and transparent with the information that we have based on the science, but also using the updated guidance and making sure that people are kept abreast. In my office we send out a weekly e-mail with any updates we have.

Chairwoman VELÁZQUEZ. I hear you when you talk about providing information. My question is coordination. So if any of the others—

Admiral SCHUCHAT. I think that the public really expects, appropriately, that we have a seamless coordination at the public-health level between cities, counties, States, an the Federal level, and very much a part of our planning process this summer as we are readying the government for an increase in influenza has been this city-county-State-Federal partnership. So our Vaccine Task Force that is trying to figure out how we implement this large-scale, voluntary vaccination program has a steering committee composed of people from several different levels of public-health government. And so from the strategy to the planning to the evaluation and feedback, we are really trying to work seamlessly.

I think most of what happens with influenza happens at the local level, and if we don't have strong local implementers, we will fail. And so we are trying to incorporate that local perspective and the State leadership into the Federal planning at every step.

Chairwoman VELÁZQUEZ. Thank you.

Mr. Thompson.

Mr. THOMPSON. Thank you, Madam Chairwoman.

Once again, thanks to the panel for your service and for being here on this important topic. I want to keep going down that line of inquiry that the Chairwoman had.

In terms of collaboration, we have three very important departments represented here that are three or probably even more that would be impacted if this pandemic would become a reality. Can you give me specific examples of communications and collaborations between your three departments on this particular issue?

Mr. MCGAW. Starting in April, all of my communications from the Private Sector Office have been linked to the CDC. So in all of our outreach efforts we are working to include the CDC, and we talk about what we are going to say, how we are going to say it,

and who we are going to say it to. And those communications have been—we have had—back in April we had private-sector calls on almost a weekly basis that went out to about 1,100 trade associations and other organizations and their leadership as we briefed them out, and each of those calls had representatives of the different agencies. As we learned what kind of questions people wanted, we brought in more subject-matter experts.

We continued that operational tempo through the summer, through our business planning guidance, through our K-through-12 guidance, through our higher ed guidance, making sure our agencies were working together. Those are three examples. I have a half dozen others.

Ms. BLANK. Obviously, the medical leadership here has come from outside of Commerce, but Secretary Locke and other senior staff have been quite involved in communicating about the guidance. We really see ourself in the role ofinterfacing between the CDC and DHS and the guidance it is giving, and the business community. We have the connections into the business community to try to be the coordinating agency that gets this message out as fully as possible, and in turn sends information back from what the business community is saying about what is helpful or what they still need.

Mr. THOMPSON. All right. Secretary Blank, you talked the outreach to the business community, obviously, which is extremely important, from both perspectives, workforce issues, which annually with the flu is always a difficult time, especially in small businesses that have a very small workforce and a lot of folk wearing a lot of hats in terms of duty and responsibilities, but also on the customer side, and especially what could be very devastating to commerce is people tend not to go out into public areas as much, and the economic impact of that.

How is the Commerce Department or, working your other partners, getting that message out to small businesses? I have heard some great resources and great strategies in terms of managing flu symptoms and minimizing exposure and Web sites and all that. How are you getting that message to the small businesses?

Ms. BLANK. Of course, some of this gets out simply through the general media. At colleges or places that have come back into session, there has been news about this. This raises awareness, and people start looking for resources. You need supply and demand. People have to be looking for this help and this information before they hear it.

Secretary Locke has been on a number of phone conferences with various representatives of the business community. He has particularly been focusing on talking with travel, toursism and retail businesses, those particular sectors that are likely to be most affected if consumers start staying home and not going out into public places. And I know that there is a plan to continue those sorts of phone calls and outreach as we move into the season with various sectors and groups within the economy.

Mr. THOMPSON. Great.

Has there been discussions of thoughts of what the potential economic impact could be with this projection of—and especially with small businesses as it impacts our cash flow, even for a number of

weeks in the economy that we have been in, could be absolutely critical for small businesses.

Ms. BLANK. The effects obviously are going to depend very heavily upon how severe this flu season is, and where it hits, and whether it is regional, or whether it becomes more national or global as well, because international trade and travel will be heavily affected.

I know that there is a report coming out sometime later this month from the Department of Homeland Security done by their National Infrastructure Simulation and Analysis Center that is going to look at various scenarios of what the impact on the economy could be.

We do have estimates from past flu incidents. So in 2006, the Congressional Budget Office, for instance, estimated that a moderate bird flu pandemic would reduce GDP by around 1 percent, where a severe one would reduce it be 4 percent. Those are big, but my understanding is that the duration and the severity of an H1N1 flu is likely to be less than a bird flu. So those would be absolutely maximal effects.

Mr. THOMPSON. One last question. Mr. McGaw, this past week I had the privilege of being present when the USDA presented a grant and a loan to an ambulance company. I was impressed with this, as an old EMT, the new technology, some of this technology that had ultraviolet lights in the back of the ambulance specifically to address the viruses and keeping a sterile environment.

Is the Department reaching to the local level with local paid and volunteer emergency medical services who, frankly, if the flulike symptoms escalate to a point where people need more professional care, that they are going to be involved with that.

Mr. MCGAW. I don't know of particular targeted outreach to the volunteer companies of EMTs and firefighters around the country. The same information—we can probably do that, and I will look into it.

I think the importance is we are pushing out this really at the State homeland security level and making sure the State homeland security advisor has all of the information they need to push down to their first-response community. That can be pushed via the FEMA avenues as well, the key being all the things that we are talking about right now can be accessed by those local fire companies and EMTs. But it is going to be a pull probably from their local emergency coordinators. I can look into it.

Mr. THOMPSON. Thank you.

Mr. MCGAW. You are welcome.

Chairwoman VELÁZQUEZ. Mr. Schrader.

Mr. SCHRADER. Thank you, Madam Chair. Dr. Schuchat, I guess I was curious as to how has this particular flu been spreading, and what has been its morbidity and mortality in the United States compared to past flus we have had?

Admiral SCHUCHAT. The H1N1 influenza virus has been what we are calling a moderate severity. This is not like 1918, what we saw in the spring anyway, and the Southern Hemisphere this summer does not have the enormity of the 1918 pandemic, which was, of course, really absolutely devastating. But what we don't know is exactly how bad things will be this fall and winter. We have been

trying to learn from the Southern Hemisphere's flu season. Their winter was our summer. So many of the Southern Hemisphere countries have just been through a season where the new H1N1 did dominate. It caused most of the illness in a number of these places. There were some places where the health-care capacity was really somewhat strained, but in most of the places it was a severe year, but not their worst ever. So that gave us a sense of what to expect.

Mr. SCHRADER. Is that actually true? I assume their sanitation, health-care opportunities are not quite what we might have in the Northern Hemisphere. Is that factored into your calculus when you are looking at what to extrapolate?

Admiral SCHUCHAT. The comparisons I am making are with places like Australia and New Zealand that are a little closer to our health system capacity. But, importantly, even in some of those countries there were hard-hit communities and hard-hit populations. We are concerned in a couple of places we have heard of indigenous populations having a higher morbidity and mortality: Aboriginal populations in Australia; in Manitoba, some of the Native Americans there.

So I think that we need to be ready to be flexible and as prepared as possible. We may have this H1N1 on top of the regular seasonal strains, we may have sort of two seasons, or almost three.

Mr. SCHRADER. To that point I guess my next question would be how do we gauge of the flow as we get into the fall-winter flu season here in America how we are doing compared to our normal in terms of the values, and will the CDC and others continue to be slightly alarmist, which may be viewed as your job. But as a small businessman, I would like to get some pretty good, solid information as to how we are compared with trends we have seen in the past.

Admiral SCHUCHAT. We have enhanced our surveillance to have more timely information that is helpful to people and also to get information that is more useful locally. We are already seeing increases in flu, but it is only in some parts of the country; the Southeastern States, but not the rest of the country in general.

The State and local governments are going to try to share the information they have so that you will know in your community what is going on. And I think we have learned a lot from the spring about interventions. We have learned it was a new virus. We took it very seriously. We imposed some interventions to be on the safe side. And we have been able to take the knowledge of what the experience really was like to sort of temper those interventions to have a good balance between protecting health and safety and not in untowardly disrupting the economy.

Mr. SCHRADER. I just would hope as we go forward we have accurate, timely, somewhat authoritative, as much as you can be with a disease, information to guide the small business community going forward.

Ms. Blank, what are we doing to protect the agricultural industry from the misnomer about the flu and the porcine population being the big cause of this? What actions do you see the government or Department of Commerce or Chambers or the farm organizations doing to make sure Americans get good information here?

Ms. BLANK. It is extremely unfortunate that this flu has gotten an animal name, which by all accounts is not a very accurate title at all.

Mr. SCHRADER. Keep emphasizing that, please.

Ms. BLANK. I have cousins who are pork farmers who are quite upset about this. Obviously the government has tried very hard to use the right nomenclature here, and continues to do that. I think the information on the CDC Web site, on the www.flu.gov site, emphasizes this does not relate to eating particular This is a flu that is transmissible the way that other flus are, and one should think of it in those terms.

It is hard to counter a name once it gets out there, and I think we just have to all keep making sure we use the right language and we keep saying the right things and hope that gets through.

Mr. SCHRADER. Thank you. I would yield back.

Chairwoman VELÁZQUEZ. Thank you.

Mr. Leutkemeyer.

Mr. LEUTKEMEYER. I would like to follow up on a couple of Congressman Schrader's remarks and questions, just to kind of nail down the effect of the flu versus the bird flu.

Dr. Schuchat, can you give me just how many people were affected with the bird flu, and you said this is going to be less than the bird flu?

Admiral SCHUCHAT. There are two principal differences between the avian bird flu that we have been talking about for the past few years and the 2009 H1N1. One difference is that the bird flu strain, H5N1, was very lethal. Abouttwo-thirds of people who got that infection died from it. That is just extraordinarily lethal. The H1N1 2009 strain is not of anywhere near that magnitude lethality.

On the other hand, the H5N1 bird flu strain did not acquire the ability to spread easily person to person. Almost all of the cases that we have, the several hundred cases that we have had since 2003, have been animal to human, bird to human; very, very few, probably a couple, that were human to human; whereas virtually everything we are seeing with the 2009 H1N1 is extremely efficient person-to-person spread.

So that bird flu strain, fortunately, has not become pandemic, but it is very, very severe. The H1N1 strain has become pandemic. It is very easily spread person to person, spreading around the world. Fortunately, it doesn't have that severity or lethality that the bird flu strain had or that the 1918 strain had. That is really good news right now because we think we can manage this with prompt treatment of people who are at risk with antivirals, and we are close to having a vaccine to prevent and mitigate disease.

So the lethality and transmission are the two big differences there.

Mr. LEUTKEMEYER. Mr. McGaw, with regards to Homeland Security, are you monitoring other countries where this is popping up? Obviously, some folks have testified with regard to the southern part of the hemisphere, much more prevalent. Are you monitoring that? If so, are you going to restrict travel between those countries if you see a problem with it being exported to our country?

Admiral SCHUCHAT. I can speak to the monitoring, and he can probably do the travel issues.

We have been intensively monitoring the virus and the disease it causes around the world, including Southern Hemisphere countries. So far the virus is the same. It hasn't mutated. It is the same as what we have and what we had last spring.

Mr. LEUTKEMEYER. Could you name a couple of those countries?

Admiral SCHUCHAT. Yes. Australia, New Zealand, South Africa, Argentina, Chile, those are countries where there has been a lot of information. Peru. I may be forgetting a few. So we actually have people and partnerships in a number of countries. And at flu.gov, HHS has released a report on the Southern Hemisphere that describes the assessment of what we saw there and how that can help us anticipate what we are going to have this fall, knowing that the health systems might be different.

Mr. LEUTKEMEYER. My question is if you see that it is a pandemic level there, are you going to restrict travel? Is that an option?

Admiral SCHUCHAT. There is not a plan for any travel restrictions. At this point the U.S. has as much or more disease than anyone else does. We are strongly encouraging others not to restrict travel of Americans, and we are not intending to restrict travel elsewhere. We think it is so important for people who are sick to stay home and not spread their illness, but we don't think that one country is a riskier place than another right now. Unfortunately, the virus is all over the world.

Mr. LEUTKEMEYER. Okay. Thank you.

Secretary Blank, very quickly. I am running out of time here. I also want to follow up to Congressman Schrader's remarks with regard to getting a better handle on the name of the flu. Are you working with the national media to see if those folks would try and not use other words other than ″H1N1″? Are you briefing those people, and are you keeping track of their lack of doing that?

Ms. BLANK. I think CDC is involved with this quite closely.

Admiral SCHUCHAT. We have been working intensely with the media to try to ready them to help with the falloutbreaks. We have had workshops and tabletops and so forth. We have discussed the name issue. I think their view is the name has stuck, and many of them are trying to use the H1N1 term that we are using consistently, but I don't think we will be able to convince the headline writers.

Mr. LEUTKEMEYER. How do you think we ought to address that problem, because this is significantly impacting the pork industry. Just to say, Well, they are doing their best; is that good enough?

Admiral SCHUCHAT. One thing we are doing is monitoring understanding. There have been several polls to understand are people not eating pork, or are some of those factors happening. We think we are actually winning with the American public's understanding. So I think that is probably going to be more helpful. I do think it is important to look at all the economic consequences.

Mr. LEUTKEMEYER. Don't you think it wold be wise you have a meeting once a week, once a month, with the national media and say, hey, in your articles following up on this disease, we noticed

a number of times that you were incorrectly using the name of—the slang name for this flu.

Mr. MCGAW. It is an important point and one that we should continue to emphasize. So I will make sure our public affairs offices are aware and continue to push. We are all coordinated in our use of the H1N1 moniker and away from other names, and so we will continue to push on that.

Chairwoman VELÁZQUEZ. Will the gentleman yield?

Mr. LEUTKEMEYER. Yes.

Chairwoman VELÁZQUEZ. Dr. Schuchat, on this point of the name issue, for the record, is there a direct correlation between swine farms and the H1N1 pandemic?

Admiral SCHUCHAT. This virus is spreading person to person. We have no information that this virus is spreading through swine farms. Right now this is a human-to-human problem, and that is how we are addressing it.

Chairwoman VELÁZQUEZ. Mr. Moore.

Mr. MOORE. Thank you, Madam Chair.

Dr. Schuchat, I believe you testified—and I don't have a direct quote—but persons should stay home and not spread the disease by going to work. You said something to that effect.

I think probably all of us agree with that. My concern is for hourly employees who may not have paid sick leave. What, if anything, do you think we can do to encourage employers to work with people in that situation? And I am asking you. Then I want to ask the other witnesses if they have any thoughts about it, too.

To me, this is something that we have to consider, because we could—by having that situation, people could inadvertently—not intentionally, but inadvertently—spread the flu to others. Any thoughts?

Admiral SCHUCHAT. This is one of the mostheartbreaking parts of this, because we need people to stay home and not spread their infection and take care of themselves and get better, and we need the workplaces to support them. It is a really difficult time in our economy. Leadership has sent letters out. We are working with the Chambers of Commerce. We are trying to get the word out that this is better for everyone, but when it is your paycheck, it is really hard to understand.

Ms. BLANK. I do think that there is really a role here for public leadership by saying exactly what you have said as often and as publicly as possible; to say to employers this is an unusual time, and we need to support workers and what they should be doing to keep us all healthy.

Mr. MOORE. Mr. McGaw, any thoughts?

Mr. MCGAW. The more that employers understand the severity of the disease and how it is going to impact our workforce, the more they will understand that the workers aren't going to be gone for long. And so the more that we can communicate just what exactly they need to understand about the severity of H1N1 and the concrete steps they can take, and then actually have the conversation with their employees about understanding expectations, the more there is a dialogue about this, the better off I think the employees and the employers will feel about the decisions about letting them stay home.

Mr. MOORE. Thank you very much. I yield back, Madam Chair.

Chairwoman VELÁZQUEZ. Mr. Ellsworth.

Mr. ELLSWORTH. Thank you, Madam Chair.

Thank you all for your hard work that you are about to undertake, and have. I know one of you talked about seamless coordination. I think that is very difficult, especially when that many layers of government, and then to the people and private industry.

I would like to take a little different line. Has there been any discussion of doing absolutely nothing, of staying out of it and letting it handle itself? May not be that bad, may not come here. There will be a few cases, and we let it handle itself.

Let me ask you, Mr. McGaw, you said you talked to NAM and the Chambers. Have they said, Don't worry about us, we will take care of ourselves?

Mr. MCGAW. No. They have been a true partner from the beginning. The dialogue that the Department has had with those organizations across a spectrum of challenges in thehomeland arena really paid dividends, and all the planning that went on during the avian flu discussions of 2006 and 2007, that paid dividends as well.

In April, when this first arose, those were some of the first conversations we had were with those organizations, because the reality in trying to reach out to the millions of businesses and people that are potentially impacted requires media coordination and communication, and organizations like NAM, the Chamber, the National Federation of Independent Businesses, they can immediately put solid information in the hands of decisionmakers broadly. And we saw a substantial amount of open rates on e-mails. So the media communication between our organizations was pretty significant.

I have an op-tempo of we went from 100 participants to 518 to 1,100 participants on conference calls over 4 days. So just us using our standard incident command structure, we were able to get information immediately out to those businesses. So standing by and doing nothing was never part of the calculation.

Mr. ELLSWORTH. We read the Constitution quite a bit. I am sure you all have the pocket Constitutions and page through those. I have never seen H1N1 mentioned in any of the articles or any of the text of the Constitution, and yet do you think that the American people expect the government to do something in this and not just stay out of it? Would you say that that is an expectation the American people have, that government is prepared to do something to prepare for H1N1?

Admiral SCHUCHAT. I think the administration's view is protecting the safety and health of the American public is extremely important. We this summer did public engagements in 10 cities or towns around the country to talk to Americans about what was important to them from the government on this particular threat, knowing that we don't know everything; that we don't know if it will be worse in the spring, if it will affect their own communities. What we heard was an expectation that protecting health was important to people, and that this was something where government had an important role.

I think that there is a strong feeling that this is something that is really important. It will be wonderful if we work really, really

hard and seamlessly and it is not a bad year, but I think we can hope for that.

Mr. ELLSWORTH. I am making my comments tongue in cheek. I hope you realize that at this point. We heard a lot over the last 30 days about government keeping its nose out of people's business, let the market handle it, let people do their own thing, we should stay out and things would be much better.

If we did nothing, what do you expect—you know, I am hearing about GDP, percentage of GDP of the economy, all the things that if this turns sour, which it very well may, if we did nothing, do you anticipate that the American people would then turn on government the other way and say, You fumbled this, and you weren't prepared, and this is something why we want our government to get involved.

Mr. ELLSWORTH. What would happen if we just let it go?

Admiral SCHUCHAT. I think that there is our actively doing nothing, is very hypothetical, but the reality is that, without applying the science of what we have learned to the problem, I think we would have worse problems from the disease than what the disease would cause on its own.

You know, we saw in the spring a lot of fear, a lot of altered behavior, not all of it constructive. And by learning what this virus was doing and what was effective in intervening and what wasn't effective, we could direct people to effective interventions. We could make a vaccine. We could learn how better to intervene in schools in a way that was sustainable for our communities and healthier for families.

So I think that if government weren't there, there would be a lot of activity and disease and bad impact, but there would also probably be a lot of unintended consequences of people reacting to the problem.

Chairwoman VELÁZQUEZ. Time is expired.

Mr. ELLSWORTH. Madam Chair, can I just close the comment?

I agree 100 percent. I commend you for your hard work. As somebody formally in emergency services, there are a lot of things we prepared for, hoped we never had to use, tornados, natural disasters, floods, that people were glad we were there when the bad things hit.

Thank you very much.

Chairwoman VELÁZQUEZ. Mrs. Dahlkemper.

Mrs. DAHLKEMPER. Thank you, Chairwoman Velázquez, for holding this important hearing today.

And I thank those on the panel for coming and telling us how you are preparing our country for this pandemic and any future ones that we may face.

I did want to ask, as you are looking forward and as you have been preparing for this, do you see a need for us in terms of public health infrastructure and what we currently have and whether we need to invest more for the future? And I will just open it up to each one of you.

Admiral SCHUCHAT. I think that the last several years, there have been investments in preparedness, in vaccine development and so forth. But our public health infrastructure is really weak

right now, and there are gaps at many local and State levels that are hard hit by the economic realities.

So I know that for surveillance and prevention and communication, there is a lot of strengthening that would put us in better shape for dealing with this kind of problem and then the kind of problems that are every day, that aren't just every 20 or 40 years.

Mrs. DAHLKEMPER. Where do you see the biggest gaps? If you had to ask us as Members of Congress to do something soon, what would be the key thing you would say we need to do to improve our public health infrastructure?

Admiral SCHUCHAT. I think that the workforce is a big challenge right now in terms of enough workforce and a pipeline of folks. And it is very economically driven right now.

Mrs. DAHLKEMPER. Workforce on a more local level, State level?

Admiral SCHUCHAT. Yes, I think local is the most vulnerable right now, and after that, the State.

Mrs. DAHLKEMPER. Mr. McGaw, did you want to add to that at all?

Mr. MCGAW. I think we would all agree that public health infrastructure serves a dual purpose and can be used in emergencies, and it is also used on a daily basis. So the investment, pays dividends constantly, whether we are concerned about public health crises or normal public health activities.

Mrs. DAHLKEMPER. And I have just one further question, having just sent two children off to college, and you saw in the news the quarantined dormitory areas. Have we learned anything from what has happened in the last few weeks as we sent our children off to school?

Admiral SCHUCHAT. The American College Health Association is tracking illness in colleges and in interventions, and the news so far is pretty good, that the colleges are following this guidance that was issued and trying to keep ill kids separate from others. And they are not overreacting. They are appropriately reacting. And I think that it has been heartening to see them being able to apply practical information. And the professors are understanding when the students aren't turning in their homework and encouraging them to stay home and get better.

We aren't seeing a different pattern of illness yet. We are—we believe that the interventions we have recommended are sensible and practical and can work, but it is still too soon to know what will be happening around the country.

A reminder, though, that people from the ages of 6 months to 24 months—or to 24 years, including those college students, are recommended to receive the H1N1 vaccine when it becomes available, and we know that a lot of universities are planning on ways to be able to offer it.

Mrs. DAHLKEMPER. Thank you.

I yield back, Madam Chair.

Chairwoman VELÁZQUEZ. Any Member that wishes to make any other question?

Well, let me take this opportunity again to thank all of you for your participation and your service and you are all dismissed.

And I would ask the members of the second panel to be ready to take your seat.

Chairwoman VELÁZQUEZ. I would like to introduce Mr. Anthony Demangone. He is the director of regulatory compliance and senior compliance counsel for the National Association of Federal Credit Unions. The National Association of Federal Credit Unions was founded in 1967 to directly shape the laws and regulations under which Federal credit unions operate.

Mr. Demangone, you are welcome and have 5 minutes to make your opening remarks.

STATEMENT OF ANTHONY DEMANGONE

Mr. DEMANGONE. Good afternoon, Chair Velázquez, Ranking Member Graves and members of this committee. I am Anthony Demangone, NAFCU's director of regulatory compliance and its senior compliance counsel.

I am here today on behalf of the National Association of Federal Credit Unions. In my role, I represent NAFCU before the Financial Services Sector Coordinating Council. This is an organization that champions the protection of America's financial critical infrastructure. I am a member of FSSCC's Infectious Disease Forum, and I was a member of the 2007 Financial Services Pandemic Exercise Control Team, which helped to manage a financial services industrywide tabletop exercise on pandemic preparations.

While the subject of today's hearing focuses on a very unpleasant topic, the unsettling specter of an influenza pandemic, I want to commend the leadership of the Small Business Committee for holding this hearing to address readiness and preparation within America's small businesses.

NAFCU has been working with financial regulators on this important issue, and we have educated our member credit unions to help them prepare for a pandemic.

I want to recognize the work of the Treasury Department and the FSSCC, of which NAFCU is a member, for its diligence in helping financial institutions identify and address the complex issues surrounding pandemic business continuity planning.

Credit unions have been preparing for a pandemic for more than 3 years. The National Credit Union Administration provided important guidance to credit unions in the first quarter of 2006 to increase awareness concerning the potential threat of a pandemic.

More recently, financial regulators have been providing guidance concerning the current H1N1 pandemic. The NCUA reiterated key elements for credit unions in a letter addressed to them just this past June. In its letter, NCUA directed Federally-insured credit unions to review their disaster preparedness response plans to ensure that their pandemic plan is appropriate and provided a series of issues credit unions must consider in their pandemic planning.

Credit unions have listened to this guidance and have created plans that address the following: Pandemic-related communications to employees, members, and their communities; policies to implement social distancing, proper hygiene and other preventative measures; cross-training of appropriate staff to maintain operations during a pandemic; and the review of operations and facility management to ensure a proper response to pandemics.

Many credit unions have formally tested their pandemic plan in a national tabletop exercise. The Treasury Department, in conjunc-

tion with the FSSCC and others, sponsored an industrywide pandemic flu exercise in 2007. The results demonstrated that even businesses that had pandemic plans in place found a global flu outbreak posed complex issues in areas where more preparation was needed.

While financial institutions have been preparing, some questions remain unanswered. The following issues clarified by Congress and the Federal Government would help America's credit unions better prepare for future pandemics and handle this one right now.

First, the financial services sector needs accurate, and timely information about any developments concerning the current pandemic and what steps that Federal, State and local governments are taking in response. In addition, information on important infrastructure is vital. For example, will mail service, public transportation and telecommunications infrastructure be available for credit unions and their employees?

Second, with credit unions facing increased levels of absenteeism during a pandemic, it may be difficult for them to comply with certain regulatory requirements. Staff trained to comply with the Bank Secrecy Act or that works with the SBA may be at home sick for long periods of time. If we have this flexibility plan in place beforehand, financial regulators will not have to answer repeated questions during a pandemic, especially when the regulators themselves may have high absenteeism.

Third, many credit unions continue to ask questions concerning who will be responsible in a given area for pandemic related issues. Will the Federal, State or local governments decide if a quarantine or a closing of a business is necessary, or will this be a private decision made by each business one at a time? On the flip side is the question, who will give the all-clear signal once a pandemic has passed?

Fourth, the impact of Hurricane Katrina demonstrated the need to have cash available to meet liquidity needs. Current economic crisis has demonstrated the importance of liquidity for financial institutions. Should the current pandemic develop more deeply into a health-care crisis, it will surely strain the liquidity and put more challenges on financial institutions already facing a tough environment.

Thank you for the opportunity to provide our views on this timely topic. Again, I commend the Small Business Committee for its commitment to address concerns relating to pandemics. And I will be pleased to respond to any questions that the committee members may have.

[The statement of Mr. Demangone is included in the appendix.]

Chairwoman VELÁZQUEZ. Thank you, Mr. Demangone.

Our next witness is Dr. Jim King. He is a family physician in Selmer, Tennessee, and currently serves as the board Chair of the American Academy of Family Physicians. The American Academy of Family Physicians is one of the largest national medical organizations representing family doctors with more than 94,000 members.

Welcome back to the committee.

STATEMENT OF JIM KING, MD

Dr. KING. Thank you, Chairwoman Velázquez.

And thank you for having me, Ranking Member Graves and other members of the committee.

I am one of approximately 95,000 family physicians who are located across this country in almost every county. We are in solo and small group practices, and I am happy to be here to talk to you about H1N1 virus and the economic health of the Nation on small businesses because we are small businesses. I am a small business.

The last patient I saw—because it was mentioned earlier in the southeast, and I am from Tennessee—was a 10-year-old with H1N1 flu before I flew up here. Driving here in the car on the radio, the first death in Memphis is a high school football player who died in the hospital with H1N1 flu. So we are seeing it already. It is a very important issue.

Family physicians are affected with outbreaks of diseases like H1N1 in two very important ways. First, we are the frontline of diagnosis and treatment of the disease. Patients who begin to experience H1N1 symptoms often go to their personal physician. Frequently it is the primary care physician who begins to see the pattern of infection.

Once the outbreak is determined, the primary care physician will need to provide health care services to both the infected patient and the worried well, the patients who need to be reassured and educated.

Secondly, small group practices like myself may be affected significantly ourselves in doing business. A family physician's practice, especially in rural areas and underserved city areas, often consist of only one or two physicians in a small clinical and administrative staff. When one staff member begins to show H1N1 symptoms, it is vital that they stay away from the practice and office so that patients do not become ill.

As a result, if the influenza outbreak infects just a few members of a practice, that practice may have to close temporarily. Unfortunately, this is likely to be a considerable length of time. We talked about this when being a little mild, 3 to 5 days, but you wouldn't want a sick person in that office if you were coming in for maybe even longer.

Last, an outbreak of H1N1 will expose two major deficiencies in our health care system: the lack of coordination, and workforce shortages. For example, patients can get vaccinations at multiple sites, retail health clinics, work-site clinics, health fairs, pharmacies, school-based clinics. While these sites make immunization convenient, they lead to fragmentation of patient care; especially it makes it very difficult for a practice to ensure that all of the patients have received the necessary shots.

The Academy along with other primary care groups, including the American Academy of Pediatrics, have recommended implementing a patient center and medical home to address the lack of coordinated care. The patient center and medical home also would connect primary and public health, especially in areas in which the medical home and public health functions are more tightly integrated.

Second, even before H1N1 becomes a pandemic emergency, family physician practices will pay the price for our Nation's shortage for primary care physicians. As the number of infections increase, family physicians in small and solo practices will be overwhelmed by the number of patients simply because there is nowhere else to go. These practices who usually serve rural and inner city populations will not have all of the resources to handle a growing number of infected patients.

That is why Congress must address education and training of primary care providers in health reform legislation. The Academy has recommended that Congress increase medical graduate education payment for primary care residency slots. This would provide incentives for the Nation's teaching hospitals to invest in primary care residencies.

Family physicians and the Academy are taking the threat of the H1N1 outbreak very seriously and are engaged in extensive preparation. We see it as a fundamental responsibility to provide patients with the right information at the earliest possible time.

However, they and their patients will feel the blunt of the deficiencies in the Nation's fragmented health care system. We will need a better investment in primary care to meet these challenges and look to Congress to make this happen.

Thank you for the opportunity to testify, and I will be happy to answer any questions.

[The statement of Dr. King is included in the appendix.]

Chairwoman VELÁZQUEZ. Thank you, Dr. King.

Our next witness is Mr. Harold Jackson. He is the president and CEO of Buffalo Supply, Inc., located in Lafayette, Colorado. Buffalo Supply has been providing medical and surgical equipment and supplies to the Federal Government since 1983. Mr. Jackson is testifying on behalf of the U.S. Chamber of Commerce, which is the world's largest business federation representing 3 million businesses.

Welcome.

STATEMENT OF HAROLD JACKSON

Mr. JACKSON. Thank you.

Good afternoon, Chairwoman Velázquez And Ranking Member Graves and members of the committee.

Thank you for inviting me to testify before the committee today. My name is Harold Jackson. I am the president and CEO of Buffalo Supply, a 15-employee woman-owned small business specializing in the sale and distribution of medical surgical equipment.

I am pleased to be able to appear today on behalf of the United States Chamber of Commerce. I commend the committee for holding this hearing to discuss the challenges of the 2009 H1N1 influenza and its potential impact on small businesses. The committee has my prepared statement, and I will give the following summary.

If I leave the committee with a single point, it is that absenteeism will likely be the central issue that businesses wrestle with during this pandemic. Businesses should focus on keeping the workplace healthy, including encouraging sick employees to stay home to avoid infecting coworkers and maintaining business continuity.

We are all in this together. H1N1 preparedness is everyone's problem, from households to schools to businesses to government. To put it into perspective, according to CDC, in communities where the H1N1 flu circulated this past spring, the infection rate was about 6 to 8 percent of the population over a 3 to 4 week period. During the winter season, infection rates could be two to three times as high as both the H1N1 flu and the seasonal flu circulate and sicken people simultaneously. Each winter in the United States, the seasonal flu kills approximately 36,000 people and hospitalizes more than 200,000. The cost to the U.S. economy is more than $10 billion in lost productivity and direct medical expenses.

Predicting what influenza might do this flu season is challenging, and so is predicting the absenteeism. Nevertheless, business owners and managers should prepare by taking a number of actions to protect the health of their employees and maintain business operations. Running a small business leaves little time for planning for a disaster. Yet a major incident could force a business to close its doors permanently.

Buffalo Supply has taken the following actions to keep our employees healthy and to maintain business operations. We are communicating with employees about H1N1 to increase awareness and education. We are cleaning keyboards, desks, file cabinets and other equipment regularly with disinfectants. We have installed hand sanitation stations much like they are in various buildings on Capitol Hill. We are having a visiting nurse give free seasonal flu shots to all employees, and we are requesting H1N1 shots when they become available. We have purchased additional copies of software that will allow some employees to work from home instead of coming to the office.

Buffalo Supply is taking these and other actions because we want our employees healthy and our doors open. Few industries will be insulated from the economic effects resulting from absenteeism in the workplace.

The United States Chamber and the Trust For America's Health have teamed up to produce a guide titled, ″It is Not Flu As Usual,″ to provide businesses with practical recommendations on how individuals and organizations can prepare for the next wave of H1N1 flu. This guide includes a list of Internet sites that can provide businesses with a wealth of detailed information on topics like vaccines, anti-virals, face masks and respirators. It will be released in a few weeks on the U.S. Chamber Web site, and hard copies can be obtained from the National Security and Emergency Preparedness Department.

The U.S. Chamber believes that the Obama Administration deserves praise for the attention it has paid towards planning, preparing and responding to a potentially severe H1N1 flu wave. Since the spring outbreak, the administration has captured the right mix of communicating concern and encouraging the public to be prepared. Last week, President Obama said, ″I do not want anyone to be alarmed, but I do want everyone to be prepared.″

In conclusion, preparing for a potentially severe flu pandemic is everyone's problem. It is a shared responsibility. To be prepared, government health agencies encourage individuals, businesses and communities to talk with their local public health officials and

health care providers, adapt business practices encouraging sick employees to stay home, and take steps to stop the spread of germs, and stay informed.

I appreciate this opportunity to testify, and I would be happy to answer any questions.

[The statement of Mr. Jackson is included in the appendix.]

Chairwoman VELÁZQUEZ. Thank you, Mr. Jackson.

Our next witness is Dr. David T. Tayloe. He is the president of the American Academy of Pediatrics. Dr. Tayloe is also a full-time pediatrician in Goldsboro, North Carolina. The AAP is the leading medical association representing the interests of over 60,000 pediatrician members.

Welcome.

STATEMENT OF DAVID T. TAYLOE, JR., MD

Dr. TAYLOE. Thank you.

And good afternoon, Chairwoman Velázquez and members of the committee.

I am Dave Tayloe, Jr., President of the American Academy of Pediatrics. I have been a pediatrician in rural private practice where the cash flow of the practice is two-thirds Medicaid and SCHIP in Goldsboro, North Carolina, for over 32 years. I appreciate this opportunity to testify today before you regarding the impact of a novel influenza H1N1 virus on American small businesses.

On August 24th, the President's Council of Advisors on Science and Technology estimated that the novel H1N1 flu strain could result in the hospitalization of up to 1.8 million people and cause as many as 90,000 deaths, a number that is roughly double the death toll from a normal flu season. If these projections prove accurate, this flu epidemic will tax every aspect of our Nation's health care system, emergency departments and hospital wards to private practices and public health departments.

Of special concern to the American Academy of Pediatrics is the fact that this flu strain is impacting children disproportionately. Based on infection rates to date, the Centers for Disease Control and Prevention calculate that infection risk in the 0 to 24 age group is 4 to 5 times greater than for those in the 25 to 49 age group and 20 times greater than for those over age 65. If the virus sickens half of U.S. children this season, the number of ill children would exceed 37 million. Infection rates could ultimately be even higher.

The President's Council of Advisors on Science and Technology warn that of the 30,000 to 90,000 deaths anticipated, most would be concentrated among children and young adults, and we are already seeing that in our State. Pediatric medical practices and other medical providers who serve children face a special challenge from the H1N1 virus. The AAP anticipates that our membership will face a double whammy of business interruption due to staff absence and illness combined with much higher workloads from sick children and families seeking vaccination.

Over 95 percent of office-based pediatricians practice in settings defined as small businesses. Many practices operate with very small staffs, meaning that one absent nurse or receptionist can all but cripple the office's ability to function. Most small pediatric

practices are also facing serious challenges in remaining financially viable due to the economic downturn and employers' quests to decrease health insurance expenses.

AAP membership report that practices have seen increases in families with Medicaid, high deductible plans, or no insurance. Also the payment differential between private pay and Medicaid is so severe that there are significant downstream impacts on pediatric practices' ability to keep their doors open. For example, Medicaid and most private insurers pay approximately $20 for vaccination administration of adults. State Medicaid program payment to pediatricians ranges from $2 to $17.85 for the same service with 38 States paying less than $10 for vaccine administration. Nationwide, Medicaid pays an average of 72 percent of what Medicare pays for the same services and only 64 percent of average commercial payment.

We are the public health infrastructure for this problem. We understand the vaccine is coming from the Federal Government to the States to the health departments, and then our office has a contract with the health department to deliver the vaccine. The Academy has a real ethical dilemma. Do we ask our members to fully participate in a program that is going to cause them to take business losses because of the poor Medicaid reimbursement that hasn't been fixed since 1965?

So this crisis in public health is shining a bright light on the problem with the State's failure to pay adequately for physicians to participate in Medicaid. As a result, the more Medicaid patients are seen by pediatrician, the greater the financial challenge to the practice of the small business. Due to servere strains in the states as well as decreased tax revenue, pediatricianse have seen cuts in Medicaid payment rates. We took a 3 percent cut this year and will take a 3 percent cut next year in North Carolina.

From a clinical perspective, pediatric practices must also plan for greater workloads. The Academy and the CDC recommend all children ages 6 months to 18 years receive the seasonal influenza vaccine, adding 30 million children who need to be vaccinated for seasonal flu only. Then, because the H1N1 strain is different, it is going to be a separate vaccine. Children have virtually no immunity, and we anticipate the CDC will instruct us, the pediatricians, to give each child two doses of H1N1. So that is three office visits for each child. Parents may therefore need to make all these trips, taking time off work, to cover seasonal flu and the H1N1.

The AAP encourages vaccination of children in the medical home, and pediatricians want to do whatever they can. And we recognize that schools and other nontraditional locations may be utilized as vaccination sites in some states. Children, in particular those who are 6 months to 5 years, still need access to H1N1 influenza vaccine through their medical home.

Chairwoman VELÁZQUEZ. Dr. Tayloe, time has expired, and we are going to have four votes. But, during the question-and-answer period, you will be able to expand on those points that you were not—

Dr. TAYLOE. Fine. Thank you.

[The statement of Dr. Tayloe is included in the appendix.]

Chairwoman VELÁZQUEZ. And the Chair recognizes the ranking member, Mr. Graves, for the purposes of introducing our next witness.

Mr. GRAVES. Thank you, Madam Chair.

Madam Chair, I am very pleased to introduce Mary Kay Thatcher, who is the director of public policy for the American Farm Bureau Federation. The Farm Bureau is an independent nonpartisan organization representing farm and ranch families. They are the voice of agriculture. The Farm Bureau is local, county, state and national and international in scope.

Ms. Thatcher, thank you for being here, and I appreciate you coming in and look forward to hearing your testimony.

STATEMENT OF MARY KAY THATCHER

Ms. THATCHER. Thanks very much for allowing us to come forward and share the concerns of agriculture as it relates to the H1N1 virus.

Madam Chairwoman, we had many, many pork producers who would have relished the opportunity to come in today and talk and testify about their personal experience, how H1N1 has impacted the bottom line for pork producers.

Influenza has indeed impacted many family farmers. Many have been forced to make serious changes to their operations. When it hit, they had already been struggling through about 18 months of losses due to increased expenses, many of those expenses beyond their control, and they were looking forward to a summer that might bring indeed them out of the negatives.

The futures market indicates that we are going to have very little chance of profit in the pork industry for at least the next 9 months. And we anticipate the credit markets will continue to be a problem for pork producers and that many of them will be forced to sell off a sizeable portion of their inventory to reduce herd size.

This isn't going to affect just pork producers but obviously the employees who work for them. And those folks will not only be without income but also likely without any type of health insurance.

The impact on our rural communities is also going to be tremendous. The impact of decisions forced on pork producers, partly by H1N1, does not stop at the farm gate but also greatly impacts businesses in town. If herd sizes are further downsized, farmers will purchase fewer supplies from local businesses, such as the fuel station, propane supplier and veterinarians. Rural communities are already struggling to maintain businesses, and the credit issues currently facing both the pork and dairy sectors are very likely to further erode the viability of many rural communities.

I want to emphasize the importance of agriculture to the recovery of our economy. While fewer than 1 percent of Americans are engaged directly in agriculture, the sector has a huge impact on our economy. According to USDA, ag and food account for about 13 percent of U.S. gross domestic product. Agriculture withstood the downturn in the economy longer than most sectors, but the downturn has now caught up with the ag sector in general and our livestock producers specifically.

The recently sales price received for hogs is down $25 per head in only the last 4 months. If the December Chicago Mercantile Exchange lean hog futures price is an accurate forecast of where hogs will be priced at year end, producers will be losing $50 per head. Even the futures price for April of 2010 indicates a $25-per-head loss.

We believe Congress and the administration could do several things that would be helpful to the pork sector specifically and would also impact the livestock industry in general.

The H1N1 influenza strain cannot be transmitted by eating pork. It is a food-safety issue, not a food-borne illness. We have talked a lot today about the fact that the virus doesn't spread to meat. Pork is safe to eat. We applaud the administration for what they have tried to do to get that message out. But we need Congress and the administration alike to keep reminding consumers of this fact and use every means possible to ensure that some in the media quit referring to it by other names than H1N1.

We also applaud USDA and the United states Trade Representative. We think they worked diligently with our trading partners to ensure that they know that U.S. pork and pork products are safe, and there is no basis for restricting imports. Yet in China, the world's largest pork export market, 64 percent of its consumers stopped eating pork in the early stages of the H1N1 influenza outbreak. More than one in five consumers in China still believe that eating pork can result in catching the flu virus. This is according to a survey commissioned by the U.S. Meat Export Federation; 54 percent of those also said in the survey they fear the connection between pork and the flu virus and say it is because the virus has been labeled swine flu.

In the U.S., we have had market access issues in two of our top six pork export markets, China and Russia. We believe this is a large part of why, during the first 6 months of 2009, U.S. pork exports have dropped 18 percent from the levels in the same 6-month period during 2008.

Also just before the August recess, the House and Senate passed legislation that provides $1.85 billion in funding for the Public Health and Social Services Emergency Fund to prepare for and respond to an influenza pandemic. The conference report on that legislation states that funds appropriated and not specifically designated may be transferred to and merged with other appropriation accounts of the Department of Health and Human Services and other Federal agencies as determined by the Secretary of HHS.

The Senate version of the language actually specifically called for the transfer of $100 million to USDA under the heading, ″Ag Programs, Production, Processing, and Marketing.″ We have asked the administration to transfer at least $100 million of the $1.85 billion for use in additional government purchases of pork. Without question, part of today's decrease in pork prices is due to the media's misuse of the term swine flu rather than the H1N1 virus.

Pork producers are facing dire circumstances and need the government to step up to purchase more pork products. Any assistance that this committee could provide in encouraging the administration to make such a transfer of funds would be greatly appreciated.

We are very concerned about the many farm families around the U.S., and we want to make sure that they continue to raise pork and that they are able to sell it here and around the world. We must all continue to work with our trading partners to assure them we are open for business and U.S. pork is safe. There are many hardworking families whose livelihoods depend on us conveying this message of safety. We must also use whatever means possible to encourage additional purchases of pork in the near future.

[The statement of Ms. Thatcher is included in the appendix.]

Chairwoman VELÁZQUEZ. Thank you, Ms. Thatcher.

And the committee stands in recess subject to the call of the Chair.

[Recess.]

Chairwoman VELÁZQUEZ. Okay. So I don't think we are going to have any more votes.

Mr. Demangone, when the H5N1 virus surfaced as a possible agent of the next pandemic, many small businesses pushed for information. They prioritized job functions, worked to educate employees, and stockpiled personal protective equipment. For many, the initial pandemic scare seriously drained some of the firms' resources. Among small businesses, what challenges do you see with pandemic preparedness?

Mr. DEMANGONE. Thank you for that question. I agree that there was a little bit of pandemic planning fatigue that had taken place. The H5N1 virus—and there is only so many times you can hear about that. Some of the challenges, though, have been abated by the fact that the H1N1 virus has materialized and actually has led to fatalities here and in other regions of the world. For that reason, some of the stockpiles of the preventative personal protective equipment, masks, hand sanitizers, will still be okay.

And a lot of that planning, I would actually say the fact that we were planning for H5N1 actually was a hidden blessing because, at that time, no one was to know whether that was going to lead to the pandemic. And it was ironic, just 2 years ago, there was an industrywide exercise, and then 2 years later, those lessons could be used for this particular pandemic.

But the challenges, of course, are, for Federal credit unions as well as other financial firms, budgets are a little tighter this year, and there is some strain. It is still finding the ability to procure resources to use them effectively to protect not only your employee but your membership in the community.

Chairwoman VELÁZQUEZ. Thank you.

Dr. Tayloe, if a pandemic emergency would compromise the ability of local and regional health care systems to deliver basic health services to children, if the H1N1 outbreak is severe, how would pediatric practices be affected and what will providers need to do to maintain existing levels of care? I know that you touched on that, but if you could be more specific.

Dr. TAYLOE. It will depend directly upon the size of the practice. In other words, if you have got three physicians and seven staff, and half your staff is sick and one of your physicians is sick, it is going to cripple you.

Our office is 14 pediatricians and 8 nurse practitioners, physician assistants. And we operate four offices, kind of a health care sys-

tem and since, as Dr. King said, this looks like a relatively mild flu that doesn't last quite as long as the seasonal flu, large practices will be able to shift people around and survive. We will probably end up doing a lot of telephone medicine, and there are triage protocols that have already been on the Internet as to how you talk with families about this problem.

So I think it will just depend on the size of the practice. But we will be trying really hard to do things right. We have really perfected the medical home concept, particularly in our North Carolina Medicaid program, where I think we will be okay. But it is going to be a rough—it has already started. It is a rough season.

Chairwoman VELÁZQUEZ. Do you see foresee some part of the country more vulnerable than others in terms of the resources that are available?

Dr. TAYLOE. Well, you would have to say, what will happen in rural areas—I note during an H1N1 flare in northern Canada this past year, they had so much sickness, they ran out of respirators, and they were flying sick patients in to other parts of Canada and the United States. So I think the further you are from a tertiary hospital with those metropolitan resources, the more trouble you are going to have.

Chairwoman VELÁZQUEZ. Let me ask you. On payment for child vaccination, do you see a difference in payment?

Dr. TAYLOE. Most assuredly. And again, I am sorry I ran out of time on my testimony. But when Congress established Vaccines For Children in 1993, the Federal Government recommended vaccine administration fees for each State based on Medicare economics, that kind of thing. Only about five States followed that recommendation, and those fees have never been upgraded by CMS.

Several years ago, Medicare established vaccine administration fees. And so where the average fee for pediatricians to give a vaccine is less than $10 from Medicaid, which is Vaccines For Children, Medicare pays $21. So our members feel like it is much more difficult to do our immunizations. We have to convince the parent to let the child receive the vaccine. That takes forever with all the autism hype. Then you have to hold a screaming child and give the vaccine. And then children just have more fears and things after vaccines. So the fact that we get less than half the money to do this makes my members tell me, you need to tell Congress that if pediatricians are going to bear the brunt of this vaccination program, our vaccine administration fees need to be at least equal to those of Medicare because we have got to value our children. And this is seen as just not valuing our children.

Chairwoman VELÁZQUEZ. Mr. Jackson, how has your business prepared to protect staff and maintain operations if a moderate to severe pandemic outbreak was to present itself?

Mr. JACKSON. Obviously that is a significant concern. Buffalo Supply, as many other small businesses, is operating alone very slim staff if everything goes well. So we take the steps that we mentioned in here in trying to keep people healthy, offering the flu shots and clean stations and all those sorts of things. As a small business, we have always stressed cross-training of employees, but we have stressed it even more recently, and what it probably means is some of the people that travel stay home and do the job

of the day-to-day office until we can get the operation and all the people back from being sick.

Chairwoman VELÁZQUEZ. And I would like Mr. Jackson to answer this question, but also I would like any other member of the panel to answer as well. Have you offered any sort of flexible leave policies for any of your employees, particularly those with children that are part of the most at-risk population?

Mr. JACKSON. Yes, we do. We treat our employees like they are family. A lot of them are family in a small business. But we try to work with each individual that has an issue to come up with a resolution. I would rather do that than writing a policy that kind of ties our hands in the future. But we have flex time that we offer. We allow people to take a day off if it is to take care of a sick child or if they are not feeling well themselves. Interestingly enough, we offer the flu shots at no cost to the employees, but I give a stipulation. If you decline to take the flu shot, I don't pay you for your time off. If you take it, I will pay you for your time off.

Chairwoman VELÁZQUEZ. Any other member wish—Dr. King.

Dr. KING. Well, of course, in the practice, you have got to take into consideration, flu season is our busiest season. So we have more people that want to come in and be seen, and they have more problems. So giving time off, flex time—we think ″patient first″ naturally. So we want to expand our hours so patients can get in, those things can be done.

But we do, of course, offer flu shots to all of our employees. But you have got to understand, that is one of the things that makes this particular flu epidemic different from the seasonal flu epidemics we have; we don't have a vaccine yet. So all the health care providers that are seeing patients now that have the flu have not been vaccinated. In years past, we always get our vaccine in ample time, and we get taken care of. That is the reason there is a greater risk of health care providers getting this type of flu.

And even though they are going to have the vaccine available in the middle of October, realize it is going to take time to get it distributed, out to the State, get it out to the practices, and then you have got two weeks before you develop any type of immunity from that vaccine, it is going to be well into November before anyone has really got any immunity to begin with.

Chairwoman VELÁZQUEZ. Ms. Thatcher, we discussed that there is no correlation between swine and pork and the H1N1. And since the declaration of four intergovernmental agencies, organizations and the Federal Government that stated that H1N1 virus cannot be contracted from consuming pork product, have you seen—has your business continued to decline?

Ms. THATCHER. We believe that we have made progress domestically and that the vast majority of people in the U.S. now understand it. I wouldn't say we are back to exactly where we were in sales, but we still believe our biggest problem is in the export markets. And it is always hard to ascertain—we think that the survey that meat export folks did that shows that one out of five people in China are concerned is very bad news. But we also know that countries like China tend to use whatever they can as a trade barrier against us. So there may be some of that playing into the situation, too.

Chairwoman VELÁZQUEZ. Mr. Graves? Thank you.

Mr. GRAVES. Thanks, Madam Chairwoman.

Ms. Thatcher, how much pushback are you getting from the business community, or health care providers, in trying to change the paradigm between the term swine flu and the fact that it doesn't have anything to do with H1N1?

Ms. THATCHER. Mr. Graves, I don't know that we are getting pushback; I am just not sure we are getting as much help. And you know, it is easy for all of us to slip and call it the other name instead of H1N1. And so we have worked with those folks, and again, I applaud what this administration has done. It is just that we have to keep it up because we have too many people I think in the business community who say, well, if I call it H1N1, people won't know what it is; but if I call it swine flu, they get it. So it is a real change in mindset that we have to continue to—

Mr. GRAVES. Okay.

Chairwoman VELÁZQUEZ. Mr. Luetkemeyer.

Mr. LUETKEMEYER. Thank you, Madam Chair. Just to follow up again with Ms. Thatcher and Congressman Grave's comment here.

Did you hear that—Mr. McGaw's comment a while ago when I was discussing it with him, to the effect that they were going to monitor the media and how they represented the H1N1, and while that is fine, to monitor is fine, but I think you need to act on what you find, and I didn't hear him making a commitment. Are you working with the Homeland Security folks, so if they do have—they do find that there is a continued misnaming of this flu, that there is going to be some follow-up?

Ms. THATCHER. We have done more working through USDA especially and somewhat through USTR in trying to get them to help us carry their message at very high levels and have it done that way. But certainly we have worked with every department we can think of so far.

Mr. LUETKEMEYER. Okay. Well, I was just thinking if there needs to be some interaction there and some cooperation and some oversight to make sure that there is some pressure, and I realize we can't do a whole lot perhaps with the folks from other countries, but I would think we should be able to sort of minimize the effect here in this country once the information gets out of what is really going on here.

Very quickly, Dr. King and Dr. Tayloe, depending on which one wants to answer, maybe both, what is the effectiveness of the vaccine? I know we are talking about the shots here. What is the effectiveness? Is it as effective as most other vaccines, or is it less effective, because it is being promoted?

Dr. KING. It is being studied. Like I said, we don't get the flu vaccine out until—we don't know numbers yet for this particular vaccine that I know of.

Dr. TAYLOE. They began the trials in—around the first of August. I know Duke has a site—

Mr. LUETKEMEYER. So we are all—

Dr. TAYLOE. They haven't published any data yet that we could go on because we are hoping the immunity will be good enough that we can get by with just one injection. But with the traditional flu vaccine, we have had to give two the first year to all children

under the age of 9 years. And that is going to create more of a problem. And then the question is, will they have a nasal vaccine, too? It is rumored that one of the companies will have a nasal vaccine, which will make much easier to do this.

Mr. LUETKEMEYER. My follow up to that, maybe you won't be able to answer it, have you seen any reactions to the shot, any negative things that come out with people who have taken it? You alluded to autism a while ago. I don't think this is a problem with this particular thing, but is there some other sort of side effects or some other negatives that come with this shot that we need to be aware of or people need to be informed of?

Dr. TAYLOE. I am not aware of any new developments in the way of the downside to receiving the flu vaccine. The flu vaccine will contain thimerosal, the mercury preservative—ethyl mercury preservative that got so much press in the late 1990s, that was removed from most vaccines by going to single dose viles. But this vaccine is going to come in multiple dose viles, so it will have thimerosal in it as a preservative. So it does not bother us because we are not aware of any problems with human beings as far as the trace amounts of the thimerosal that is used as preservative in these vaccines. But the patients that come in the office all want to talk about it. So the media has just done a number on the public health system here, and it is a shame. And anything you can do to help us—

Mr. LUETKEMEYER. You have got a forum right now. Let it rip.

Dr. TAYLOE. Help us educate the general public about the really good, solid safety system we have in place for vaccines, the fact that it takes forever for a vaccine to make it through the FDA to come to market as a rule. This is a special situation where this vaccine is made like other flu vaccines and it will be treated like other flu vaccines and not treated as a brand new vaccine. But as a rule, it takes forever to get to market. Then it goes into hundreds of thousands of patients as a tracking population by the CDC through the Vaccine Data Link System, and that is how we pulled a couple of vaccines that looked okay in the thousands of people it was tried on before release, but as soon as it got out to hundreds of thousands of people, we knew there was a problem and was pulled.

So I think our system is a very good system, and I personally am in a practice where we do over 100,000 counters a year, and our practice is a really big practice; we have never referred a single child to the Vaccine Injury Compensation Program for any chronic or permanent injury from a childhood vaccine. So I think it is extremely rare. We have a compensation system in place. And we need the help of the government in getting the right message to the public.

Mr. LUETKEMEYER. Thank you, Madam Chair.

Chairwoman VELÁZQUEZ. Mr. Graves, another question?

Well, let me take this opportunity to thank all of you for being here and providing the important information, and we will continue to work with the Federal Government and the respective agencies to make sure that there is not only a coordinated effort but a proactive effort and that we keep in mind that if we deal with a pandemic, the impact that it could have in the economy, but particularly on small businesses.

So, with that, I ask unanimous consent that members will have 5 days to submit a statement and supporting materials for the record. Without objection, so ordered.

This hearing is now adjourned.

[Whereupon, at 3:41 p.m., the committee was adjourned.]

NYDIA M. VELAZQUEZ, NEW YORK
CHAIRWOMAN

SAM GRAVES, MISSOURI
RANKING MEMBER

Congress of the United States
U.S. House of Representatives
Committee on Small Business

2361 Rayburn House Office Building
Washington, DC 20515-6315

STATEMENT
Of the Honorable Nydia M. Velázquez, Chairwoman
United States House of Representatives, Committee on Small Business
Full Committee Hearing: *"The Challenges of the 2009-H1N1 Influenza and its Potential Impact on Small Businesses and Healthcare Providers"*
Wednesday, September 9, 2009

Every flu season, we encourage Americans to take precautions like getting vaccinated and washing their hands. However, this year's flu season is different. Because of H1N1, our nation can expect a new set of public health issues. For those in the small business community, the 2009 flu season will mean new challenges.

The World Health Organization and the CDC announced the outbreak of H1N1 in March. By July, the number of confirmed cases had reached 100,000. While it is too early to tell how fast the virus will spread, it is almost certain that a pandemic will mean significant economic consequences. The CBO has suggested a full blown pandemic could draw $700 billion out of the economy – at a time when we cannot afford any economic setbacks.

The Administration recently released its plan for employers to respond to and prepare for H1N1. This week, we expect to see a similar plan that is specifically tailored for small businesses' needs.

Today's hearing will look at these recommendations and the issues facing small firms. For small companies, this year's flu season raises many questions. How should small businesses handle leave policy? One of the best ways to combat the spread of H1N1 is to encourage employees to stay home if they are ill. Clearly, limiting exposure is important for fighting the spread of flu. However, sending too many workers home can also impede small firms' operations. While most business owners want to be responsible and protect their employees' health, we also want to ensure that they do not needlessly slow down their operations.

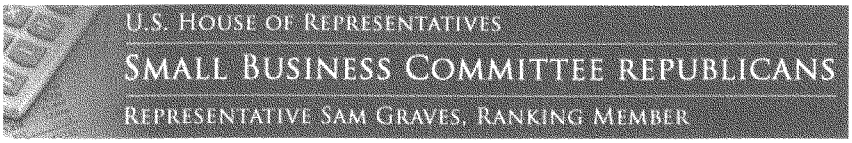
Big companies usually have enough employees to continue operating, even when part of their workforce grows ill. That isn't always the case for small businesses. So, we cannot assume that solutions that work for big firms will work for small ones.

We also need to think about how disruptions to small businesses will impact the flow of commerce. Entrepreneurs rely on other firms to provide them materials, but they also supply products to other businesses. If H1N1 interrupts this supply chain, there are questions about how the overall flow of goods and services will be affected. We need to examine these problems and think about solutions for minimizing this economic ripple effect. Perhaps most of all, we must look at what tools are available to help small businesses as we head into flu season and consider whether those tools are sufficient.

Just as small employers are taking steps to slow the spread of H1N1, entrepreneurs will be critical to helping our nation overcome this pandemic. Some of the most promising research is conducted by small companies. As we race to develop effective vaccines, these companies will be instrumental. Small health care providers have always been the core of our medical system—eighty percent of doctor office visits take place in a small practice. These providers will be vital in distributing vaccinations and treating Americans who fall sick.

Clearly, all types of small businesses will be on the frontline this flu season. As employers, as health care providers and as a source of medical innovation, entrepreneurs will be an important part of how our nation responds to this public health problem.

At this stage, numerous questions remain unanswered. All of us hope that infection rates are moderate, but, regardless, the wisest course of action is for all of us to be prepared. Today's hearing will explore how small businesses can help us through this year's flu season, the challenges they face and what we can do to support their efforts.



Opening Statement of
Ranking Member Sam Graves
Hearing: "The Challenges of 2009 H1N1 Influenza and its Potential Impact on Small Businesses and Healthcare Providers"
September 9, 2009

Madam Chairwoman, thank you for calling this hearing on the 2009 H1N1 flu and its impact on small businesses. Special thanks to all of our witnesses. I spent August in Missouri, listening to the concerns of hard working Americans. During my Main Street Matters Listening Tour, I heard from small business owners and farmers who are struggling and worried about their future.

Entrepreneurs are concerned about the economic climate, and now they face a new round of proposed taxes, including cap and trade, health care employer mandates and "play or pay" penalties. During my Listening Tour, I held 23 town hall meetings, some with as many as 500 people – teachers, farmers, veterans and small business owners -- in attendance. Nearly every question centered on the current health care reform proposals, and I can tell you that these folks are strongly opposed to them.

We ask a lot of our small businesses. We depend on them to keep our economy running, create jobs, and produce the goods and services we need. We do not need to burden them with additional taxes to fund new programs, including health care reform, in a struggling economy. There are better, more affordable options for small firms, such as association health plans, which the Chairwoman has been a leader on.

I am also concerned about the effects of the H1N1 flu. Because small businesses typically have lower cash reserves, thinner margins and fewer employees than large firms, it can be more challenging for them to develop preparedness plans.

As a farmer, I am pleased to represent many hog farmers who are small business owners. This is a difficult time in the U.S. pork sector. Beginning in 2008, the worldwide economic downturn resulted in a decrease in meat demand. At the same time, pork prices declined, and production costs rose. Added to this, after the initial H1N1 outbreak, domestic pork sales and exports fell. According to Professor Ron Plain at the University of Missouri, the U.S. pork industry suffered a $250 million loss of income in the second quarter of 2009 alone.

Madam Chairwoman, thank you for holding this hearing. I look forward to hearing from our witnesses, and yield back the balance of my time.

Testimony of
Rebecca M. Blank
Under Secretary for Economic Affairs
U. S. Department of Commerce
before the
Committee on Small Business
United States House of Representatives

September 9, 2009

Madam Chairwoman, Ranking Member Graves, and Members of the Committee: Good afternoon. I appreciate the opportunity to appear before the Committee today to discuss the efforts of the Department of Commerce to educate businesses on how to minimize the negative economic impacts of the H1N1 influenza.

I commend the Committee's focus on this very important topic. We do not know the specific course that the H1N1 flu will follow over the next few months but we do know that there are actions that can be taken by all of us to minimize the impact. The Obama Administration has developed preparedness guidance and is working with State and local governments and the private sector to promote awareness of the steps that should be taken.

At the Commerce Department, our primary focus has been on ensuring that the U.S. business community is adequately prepared to handle the potential threats of an H1N1 pandemic. Secretary Locke participated in several outreach calls to CEOs in the retail, travel and tourism and technology sectors. The response to our outreach has been very positive. The CEOs on the conference calls asked good questions and expressed appreciation for the guidance and the communications toolkit. The Department will remain connected to the business community on this matter through an outreach plan that will provide regular opportunities to share information, promote preparedness, and monitor responses should H1N1 outbreaks occur this fall.

It is predicted that the arrival of the H1N1 virus, in conjunction with the regular season flu, will bring more illness. The more severe the flu outbreak, the greater the impact one would expect on the economy. We do not know precisely what these impacts will be, but it is likely that businesses will be confronted with greater absenteeism, as employees or their family members are ill-- which in turn will reduce productivity. In a more severe outbreak, concern about the flu can lead people to avoid public places. This can reduce consumer spending, and mean that some industries, such as travel and tourism, retail sales, and service oriented businesses will experience a greater economic hit than others.

Whatever the magnitude of the flu outbreak, there are steps that can – and should – be taken now by all businesses to mitigate the impact of the upcoming flu season on their business, and to better protect their workers and those workers' families. Small businesses will face special challenges as they may have fewer resources available to help cope with unexpected events. That is all the more reason for small businesses to prepare now for how they will handle the problems that may arise.

Last month, the Secretaries of Commerce, Health and Human Services, and Homeland Security announced new guidance for how businesses should plan for and respond to the upcoming flu season. This guidance, developed by the interagency community, is designed to help businesses prepare now for the impact that the seasonal flu and the H1N1 flu could have on their operations. I have included a copy of that guidance as an attachment to this testimony. The guidance document, formally named, "Guidance for Businesses and Employers to Plan and Respond to the 2009-2010 Influenza Season" can also be found on the government website dedicated to information about the flu – www.flu.gov. The website is an extraordinarily valuable resource for employers – and for all of us. The site will be updated regularly over the next few months as new information becomes available. I recommend frequent checks of this site by everyone concerned about the upcoming flu season.

One item on the website that should be of particular interest to employers is a packet of information called "A Communication Toolkit for Business and Employers." The toolkit contains the CDC guidance for employers along with a wealth of other useful tools, including:

- Questions and answers about the CDC guidance.
- A fact sheet for employers – "Action Steps to Keep your Business and Employees Healthy."
- A fact sheet for employees – "8 Ways You Can Keep Yourself Healthy".
- Posters for workplace entrances to remind sick employees to go home.
- Template e-mails for businesses to send to employees.
- Template text messages to send to employees; and
- Links to additional communication and web resources for planning.

I would urge all businesses to check out this information.

Let me now briefly review some of the main points raised in the guidance.

The guidance recognizes that businesses must balance a variety of objectives when determining how best to decrease the spread of flu. These objectives include reducing transmission among staff, protecting workers who are at increased risk of influenza-related complications, maintaining business operations, and minimizing adverse effects on customers and other entities in their supply chains. It is important to note that the flu season could be very severe in some locations and much less severe elsewhere. For example, throughout what should be the summer lull, the states of Maine and Alaska had much higher incidents of flu than other parts of the country. Consequently businesses should base their strategies and response to flu outbreaks on local information about the status of influenza in their communities.

Planning Ahead

Let me emphasize that all businesses—including small businesses—should develop plans to respond to either the current level of severity or a more severe outbreak. And businesses should plan to be able to respond in a flexible way to varying levels of severity.

CDC recommends that, today, businesses should do the following to prepare for possible flu outbreaks in the months ahead:

Establish an influenza plan and involve employees in its development and review.

Understand the organization's normal seasonal absenteeism rates, so that the business can monitor personnel for any unusual increases in absenteeism.

Engage with local health authorities to confirm channels of communication.

Share best practices with other businesses.

Dealing with a Moderate Flu Outbreak

If a flu outbreak occurs of a severity similar to that which we saw in the spring and summer of 2009, CDC recommends that businesses adopt the following policies:

Sick workers should stay at home. Businesses should advise their employees to be alert to any signs of influenza-like illness before reporting to work each day, and stay at home if they are ill. Businesses should expect sick employees to be out for about 3 to 5 days.

Businesses should not require a doctor's note for workers who are ill with influenza-like illness as doctor's offices and medical facilities may be extremely busy.

Businesses should implement sick leave policies that are flexible and consistent with public health guidance that allow workers to stay home to care for sick family members or children.

Sick employees at work should be advised to go home. They should be separated from other workers and, when possible and if they can tolerate it, workers with influenza-like illness should be given a surgical mask to wear before they go home.

Businesses should inform employees who may have been exposed to colleagues with the flu, while maintaining confidentiality as required by the Americans with Disabilities Act (ADA).

Workers should be informed of the importance of covering coughs and sneezes with a tissue or one's sleeve, and to wash their hands often. Businesses should provide tissues, soap and water, and alcohol-based hand sanitizers in the workplace.

Commonly touched surfaces such as workstations, countertops, and doorknobs, should be cleaned frequently.

Employees should be encouraged to get vaccinated for seasonal flu, and for 2009 H1N1 when vaccines are available.

Workers who are at a higher risk of complications should be informed and encouraged to check with their health care advisor if they become ill.

Every business should be prepared for increased employee absences by cross-training personnel and being prepared to change business practices if needed to maintain critical operations.

Employees should be advised to avoid travel if they may be ill, and to take precautions if they must travel.

Preparations should be made for the possibility of school dismissal or temporary closure of child care programs, including allowing workers to stay home to care for children.

Dealing with a Severe Flu Outbreak

Unfortunately, it is possible that the flu outbreak in the coming season could be worse than what we experienced in early 2009. Businesses should follow updates on the course of the flu to be aware of changes in occurrence and severity in their local area. In the event of an outbreak of increased severity, CDC recommends that businesses adopt the following policies:

Consider active screening of employees who report to work by asking workers about symptoms consistent with influenza at the beginning of the workday or shift.

Consider the use of alternative work environments for employees at higher risk for complications of influenza, such as allowing these workers to telecommute or reassigning them to duties where they will have minimal contact with other employees.

Develop plans for operation should public health officials recommend increasing the physical distance between people in the workplace. This may require reviewing or developing policies for teleworking, where practical.

Consider canceling non-essential business travel, and prepare for school dismissal or closure of child care programs.

The coming influenza season is likely to prove challenging to businesses, and especially to small businesses as they can easily be affected by the absence of just a few key employees. That is why it is particularly important to heed the advice to plan now, and to be ready to respond in a flexible manner.

We cannot stop the flu season, but with adequate preparation and planning, we can minimize its impact on people, businesses and the economy.

I thank the committee for this opportunity, and I would be happy to answer your questions.

Testimony before the
Committee on Small Business
United States House of Representatives

Preparing Small Businesses for the Challenges of 2009-H1N1 Influenza

Anne Schuchat, M.D.
Director, National Center for Immunization & Respiratory Diseases
Centers for Disease Control and Prevention
Assistant Surgeon General, U.S. Public Health Service
U.S. Department of Health and Human Services

For Release upon Delivery
Expected at 1:00 p.m.
September 9, 2009

Good afternoon Chairwoman Velázquez, Ranking Member Graves, and distinguished members of the Committee. I am Dr. Anne Schuchat, Director of the National Center for Immunization & Respiratory Diseases at the Centers for Disease Control and Prevention. Thank you for the opportunity to update you on public health challenges of 2009-H1N1 influenza and its potential impact on small businesses. I'd like to begin with brief information about the current situation in the United States, followed by a discussion of the impact of the virus on American small businesses and related elements of the public health response.

Small businesses and their employees may have been impacted by the spring and summer outbreaks of 2009 H1N1 influenza. Outbreaks of the new 2009 H1N1 influenza already have started in several states and are expected to increase across the United States during the coming months. As fall begins, CDC anticipates that even more communities may be affected than those that saw cases this past spring and summer. In addition, communities may be more severely affected, reflecting wider transmission and potentially greater impact. Seasonal influenza viruses may cause illness concurrently with 2009 H1N1 this fall and winter. It will not be possible to determine quickly if ill workers have 2009 H1N1 influenza, seasonal influenza, or other respiratory conditions based on symptoms alone. It is also difficult to predict the severity of these outbreaks, the number of hospitalization and deaths that 2009 H1N1 influenza will cause, or the severity of illness that seasonal influenza may cause.

Small businesses play a vital role in community functioning during an influenza pandemic. They form the critical backbone of supply chains for larger businesses and are central to the strength of local economies. Many healthcare providers are also small businesses and are critical to delivering vaccine, treating affected individuals, and helping track and manage influenza. Yet they also suffer disproportionately during disasters, and they are especially susceptible to the negative economic impacts of an influenza pandemic. Small businesses usually do not have a dedicated business continuity planner or infrastructure. An estimated 25 percent of businesses

do not reopen following a major disaster, according to the Institute for Business and Home Safety.

CDC/HHS collaborates closely with the Department of Homeland Security (DHS), the Department of Labor (DOL), the Department of Commerce (DOC), and the Small Business Administration (SBA) to help small businesses address issues they may face during an influenza pandemic. In response to the anticipated spread of 2009 H1N1 influenza, CDC has updated its recommendations to assist businesses and other employers of all sizes. CDC released guidance for businesses on Aug 19th in collaboration with DHS entitled: "*CDC Guidance for Businesses and Employers to Plan and Respond to the 2009–2010 Influenza Season,*" which is available on the CDC and Flu.gov websites. At the same time, we also released a communication toolkit for businesses and employers to provide information and communication resources to help businesses and employers implement the recommendations from CDC's Business *Guidance.* This week, HHS/CDC, DHS, and SBA plan to release guidance specifically developed to help small businesses prepare for influenza pandemics.

The Guidance for Small Businesses recommends that small businesses should plan for and respond to two possible scenarios: 1) a continuation of the current level of severity of influenza as was observed during the spring and summer of 2009, and 2) a more severe outbreak. The first situation is what is being experienced in some communities now—an outbreak of similar severity of 2009 H1N1 to the spring. However, even if the severity of the virus does not change, planners should expect that there will be more people who are ill in the fall and winter, as 2009 H1N1 outbreaks coincide with the seasonal influenza season. Small businesses should be especially aware that this may significantly raise the level of absenteeism and could have an impact on business operations. The second scenario involves an outbreak of greater severity

including more people with severe illness and thus, more people hospitalized for influenza complications, more deaths from influenza, and a probable escalation of absenteeism.

Even small businesses in communities that have not yet felt effects from 2009 H1N1 influenza should plan now for an influenza outbreak this fall and winter. Businesses need to be ready to implement strategies to protect their workforce while ensuring continuity of operations. During an influenza pandemic, all sick people should stay home and away from the workplace, hand washing and covering coughs and sneezes should be encouraged, and routine cleaning of commonly touched surfaces should be performed regularly. If the severity of illness increases, employers should be ready to implement additional measures while continuing to rigorously implement the interventions recommended for an outbreak similar to the spring/summer 2009 H1N1 outbreak. Public health officials may also recommend, if severity increases, a variety of methods for increasing the physical distance between people (called social distancing) to reduce the spread of disease, such as school dismissal, child care program closure, canceling large community gatherings, canceling large business-related meetings, spacing workers farther apart in the workplace, canceling non-essential travel, and recommending work-from-home strategies for workers that can conduct their business remotely.

A key influenza control measure in this guidance is to encourage ill employees to stay home. Employers of all sizes should consider plans to implement flexible sick leave policies. Employers also should advise workers to be alert to any signs of fever and other signs of influenza-like illness before reporting to work each day. Symptoms of influenza-like illness include fever or chills and cough or sore throat. In addition, symptoms of flu can include runny nose, body aches, headache, fatigue, diarrhea, or vomiting. Workers need to notify their supervisor and stay home if they are ill.

CDC recommends that employees with influenza-like illness stay home until at least 24 hours after they are free of fever (100° F [37.8° C] or greater), or signs of a fever, without the use of fever-reducing medications. Sick employees would be out for about 3 to 5 days in most cases, even if antiviral medications are used. **Also, businesses should not require a doctor's note for** workers who are ill with influenza-like illness to validate their illness or to return to work. **Doctor's** offices and medical facilities may be extremely busy and may not be able to provide this type of documentation in a timely manner, and it may encourage unnecessary doctor visits.

Businesses should inform employees that some people are at higher risk of complications from influenza. People at higher risk for complications from influenza include pregnant women; children under 5 years of age; adults and children who have chronic lung disease (such as asthma), heart disease, diabetes, diseases that suppress the immune system and other chronic medical conditions; and those who are 65 years or older. Those at higher risk should check with their health care providers if they become ill. Early treatment with antiviral medications is very important for people at high risk, because it can prevent hospitalizations and deaths. (For information on high-risk groups and those prioritized for seasonal and H1N1 vaccines, please see http://www.cdc.gov/flu/protect/keyfacts.htm and http://www.cdc.gov/h1n1flu/vaccination/acip.htm.) CDC also recommends that businesses encourage employees recommended for seasonal influenza vaccine and 2009 H1N1 vaccines to get vaccinated as soon as these vaccines are available.

Small businesses should consider developing other flexible leave policies to allow workers to stay home to care for sick family members or for children if schools dismiss students or child care programs close. Schools in some communities may dismiss students and childcare programs may close, particularly if the severity increases. It also may be helpful to consider ways to cross-train personnel to perform essential functions, so that the workplace is able to

operate when key staff members are absent. More details about guidance and recommendations for small businesses, including an FAQ document for workplaces can be found on www.flu.gov.

This morning, Dr. Robert Blendon of the Harvard School of Public Health (HSPH) released findings of a telephone poll on H1N1 influenza conducted in July and August this year that included over 1,000 businesses in the United States. About one third of the random sample of businesses polled were small businesses (defined in this survey as those having fewer than 100 employees). I would like to share with you a few key findings from this poll:

- Large (40%) and medium (43%) sized businesses were significantly more likely to offer paid family leave than small businesses (27%).
- Large (76%) and medium (82%) sized businesses are significantly more likely to offer paid sick leave than small businesses (67%).

Businesses should keep in mind that the intensity of an outbreak may differ according to geographic location, and that local public health officials will be issuing guidance specific to their **communities to help guide small business' response.** Small businesses can help prepare by assessing their essential functions and the reliance that others in the community have on their services or products. To maintain critical operations, small businesses should be prepared to change business practices as needed during an outbreak. For instance, small businesses should prepare to identify alternative suppliers, prioritize customers, or temporarily suspend some operations as needed.

In closing, I would like to reiterate four things that small businesses should do:

- Plan now to prepare for the impact of influenza this fall/winter;
- Take into account, in developing plans, two possible scenarios:

1. Widespread influenza infection through the fall/winter flu season with most workers experiencing relatively moderate illness; and
2. A more severe outbreak, including more people with severe illness and thus, more people hospitalized for influenza complications, more deaths from influenza, and a probable escalation of absenteeism;

- Protect the workforce by encouraging people to stay at home if they are sick; and
- Take steps to maintain continuity of operations, even during high levels of absenteeism.

At HHS/CDC, we are working with our Federal partners, State and local health departments and with business organizations to provide clear, practical guidance and tools that small businesses can use to protect their workforce and maintain operations during the upcoming 2009-2010 flu season. It is important to recognize that there have been enormous efforts in the U.S. and abroad to prepare for this kind of an outbreak and a pandemic. Our nation's current preparedness is a direct result of the investments and support of the Congress and the hard work of state and local officials across the country. While we must remain vigilant throughout this and subsequent outbreaks, it is important to note **that at no time in our nation's history have** we been more prepared to face this kind of challenge. We look forward to working closely with the Congress to best address the situation as it evolves.

Statement for the Record

Bridger McGaw
Acting Assistant Secretary
Private Sector Office
Department of Homeland Security

Before the
Committee on Small Business
United States House of Representatives

September 9, 2009

Chairwoman Velázquez, Ranking Member Graves and Members of the Committee: Thank you for the opportunity to discuss the efforts of the Department of Homeland Security (DHS) to prepare small businesses for the upcoming flu season.

I am Bridger McGaw, the Acting Assistant Secretary for the Department of Homeland Security, Private Sector Office. I have held this position since March of this year.

Small businesses, which the U.S. Small Business Administration (SBA) defines as those with fewer than 500 employees, represent 99.9% of all 30 million American-owned businesses[1]. In short, as this committee knows well, preparing the small business community is vital to preparing the nation.

As Homeland Security Presidential Directive 5 states, DHS's role in a pandemic is to act as the principal Federal official for domestic incident management[2]. In anticipation of this year's flu season, DHS has worked extensively with our interagency partners to prepare H1N1 guidance for schools, universities and businesses. This includes the development of a guide for small businesses. DHS's objective during a potential pandemic is to minimize disruptions in society and the economy. By providing this guidance, DHS is promoting tools that individuals and businesses can use to mitigate the impact of H1N1. Throughout the summer, DHS has maintained outreach to businesses to provide guidance and situational awareness on our planning efforts. As we enter flu season, we will adjust this outreach as the science dictates.

Preparedness is a shared responsibility of the public and private sector, as well as every household and business, but the stakes are especially high for small businesses. According to the Institute for Business and Home Safety, 25 percent of businesses do not reopen following a major disaster[3]. By using the H1N1 flu guidance provided by the government and reaching out to local community officials, small businesses can become

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[1] US Small Business Administration, *Advocacy Small Business Statistics and Research*. Available from http://web.sba.gov/faqs/faqIndexAll.cfm?areaid=24.
[2] *Homeland Security Presidential Directive 5*. Available at http://www.dhs.gov/xabout/laws/gc_1214592333605.shtm.
[3] Institute for Business and Home Safety. *Open for Business*. Available from: http://www.ibhs.org/docs/OpenForBusiness.pdf.

more resilient and productive through the flu season and beyond. Simply put, preparing now can help businesses build resiliency into their broader business models and can increase their capacity to better withstand all hazards.

About the Private Sector Office

The Private Sector Office (PSO) was established with the passage of the Homeland Security Act of 2002[4]. PSO's responsibilities were expanded in the Intelligence Reform and Terrorism Prevention Act of 2004[5] and the 9/11 Commission Act of 2007[6].

PSO has a wide range of responsibilities. Perhaps most importantly, we create and foster partnerships with the private sector to address our shared homeland security challenges. The office also advises the Secretary on the impact of the Department's policies, regulations, processes and action on the private sector and works with other Federal agencies with homeland security missions on private sector issues. In particular, we consult with the Department of Commerce on matters related to the travel and tourism industry.

PSO works with the private sector to promote existing public-private partnerships and develop new, collaborative approaches to address homeland security challenges. We also work with industry to identify private sector resources that can supplement government response efforts.

The private sector is a very diverse constituency. We work with businesses of all sizes, trade associations, national labs, non profits, non governmental organizations and academia. PSO communicates with these diverse stakeholders regularly to share information, and continues to seek out opportunities to expand the private sector's access to preparedness guidance.

To reach 30 million businesses, PSO partners not only directly with businesses, but also with umbrella and other organizations that can amplify our message. PSO works with many trade associations representing small business owners, which in turn share information with their members. For example, PSO has collaborated with the National Association of Manufacturers and the National Retail Federation (NRF), both of which represent many small businesses. With the help of organizations like these, we are able to extend our ability to reach as much of the private sector as possible and distribute critical H1N1 information.

PSO also regularly works with local chambers of commerce, which are typically comprised of local and small businesses. For example, the Business Council of Fairfield County, Conn., distributed the PSO's H1N1 e-mail updates to their 300 members and posted links to www.flu.gov on their website.

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[4] Homeland Security Act §1, 6 U.S.C. 112 § 102 (f) (2002).
[5] Intelligence Reform and Terrorism Prevention Act §7402, 50 U.S.C. § 112 (2004).
[6] Implementing Recommendations of the 9/11 Commission Act § 902(a), 6 U.S.C. § 321 (2007).

H1N1 Response

Throughout the federal government's response to the appearance of H1N1 flu, PSO has engaged in outreach to businesses to advise them on steps they can take to mitigate H1N1's effects.

The pandemic planning efforts in 2006 and 2007 for avian flu proved beneficial in the federal response to the initial H1N1 outbreak in April. The spring outbreak gave us an opportunity to assess our incident response capabilities and capacity. As the outbreak developed, Secretary Napolitano stressed the importance of getting information out to the public, including the private sector, about the extent of the outbreak, the government's response efforts, and what the public could do to stay healthy. DHS has been active in the interagency community's pandemic planning efforts, including the production of numerous materials and guidance on pandemic flu planning. Science continues to inform our communications and guidance about the strain of influenza so the best information can be provided in a timely manner.

We found that businesses of all sizes and scope generally had very similar informational needs regarding the extent of the outbreak and the resources and actions recommended to mitigate the potential impact. Businesses in particular wanted situational awareness so they could make informed decisions about their workforce and better communicate that information with their suppliers.

In coordination with the interagency community, DHS provided phone briefings to the private sector on the latest developments. These regular briefings, one of which had more than one thousand participants, provided private sector representatives access to, and importantly, answers from subject matter experts from the Centers for Disease Control and Prevention (CDC), the DHS Office of Health Affairs (OHA), U.S. Customs and Border Protection (CBP), Transportation Security Administration (TSA), and other DHS components. The private sector representatives on the call served as force multipliers, spreading the latest information to their memberships and networks. These briefings decreased in frequency as the situation reached a steady state over the summer. DHS remains prepared to increase use of these calls in accordance with scientific developments or demonstrated stakeholder needs. DHS also remains prepared to disseminate any new guidance on protecting the workforce, planning for the upcoming flu season, or mitigating the impacts of the spread of H1N1 as it is developed.

Additionally, DHS provided compilations of information in reports and daily e-mail updates to help fill the information gap our partners faced in the days immediately following the initial outbreak. With the help of our private sector partners, we were able to get the right information to employers, employees, trade associations, and others. PSO continues to send weekly e-mails with preparedness updates and the latest information from DHS, CDC and the public health community[7]. DHS's Homeland

[7] Businesses can sign up for these updates at: https://service.govdelivery.com/service/subscribe.html?code=USDHS_99.

Security Infrastructure Threat and Risk Analysis Center (HITRAC) also produced two Infrastructure Impact Assessments with useful information for State, local, and private sector partners. HITRAC continues to coordinate with our interagency partners to monitor the impact of H1N1 on infrastructure and is ready to produce additional assessments in accordance with the severity of the outbreak.

The private sector responded very positively to these outreach efforts. For example, the American Hotel and Lodging Industry, which estimates that half of their 11,000 members are small businesses, applauded DHS's updates, using information provided by DHS to inform their membership.

Creating Business Guidance

While previous planning materials were extremely valuable and many of the tactics are still applicable, we found that some changes were needed to address the differences between the 2006 avian flu scenarios and the 2009 flu season. As a result, DHS, the Department of Health and Human Services (HHS), and CDC worked together to provide updated guidance to help the private sector and the academic community best prepare for H1N1. DHS, HHS, and the Department of Education jointly released updated guidance for the K-12 education community on August 7, 2009. DHS, HHS, and the Department of Commerce jointly released the updated business guidance on August 19, 2009 with guidance for the higher education community on August 20, 2009[8]. These guidance materials and corresponding communications tool kits were widely disseminated to the private sector by DHS.

In conjunction with the business guidance, DHS also produced a short, user-friendly guidebook on H1N1 preparedness aimed at small businesses. The guidebook was drafted in consultation with the interagency community, including the CDC, HHS, SBA and the Departments of Treasury, Commerce and Labor.

The small business guide is a focused compilation of public health recommendations, including the updated business guidance. The guide distills the recommendations down to an easy-to-read short booklet targeted directly at small business owners and employers.

SBA provided substantial feedback to ensure the guidance was helpful for small business owners and also included web links to relevant SBA resources. The guide highlights how to make a plan to ensure their continued operations, steps businesses can take to protect their environment, and steps their employees can take to protect themselves from H1N1 flu.

Making this critical information readily digestible for the busy small business owner is of the utmost importance. Our interagency partners will help disseminate the guide to ensure it reaches the broadest small business base possible. We will also work with the private sector to ensure continued dissemination of H1N1 information. The small

[8] Guidance for businesses and schools is available at http://www.flu.gov

business guidance is in the final stages of review and we anticipate disseminating it in the coming weeks.

Planning for H1N1 can also help businesses prepare for all types of disasters. DHS's site www.ready.gov is a resource for individual and business preparedness information. In particular, Ready Business has a mentoring initiative which is designed to help small to medium size businesses prepare for emergencies. Materials for small businesses include a sample emergency plan, worksheets to help businesses inventory their equipment and assets, and information on dealing with employee concerns, facilities management, and much more. There are also materials available to help business and community leaders lead business preparedness workshops and training sessions[9].

Looking Forward

This spring's outbreak of H1N1 influenza was a tangible reminder of the threat that novel influenza outbreaks pose to our nation. The threat posed by a pandemic is real, but it is a threat that can be mitigated through preparedness. Preparedness is a shared responsibility and small businesses must prepare for a flu pandemic to ensure their doors stay open and their employees stay healthy; our nation's economic health and security depend on a resilient private sector.

PSO is reaching out to associations that serve small business to ensure their needs are being addressed. PSO will continue to build and strengthen relationships with organizations that represent small businesses in various industries, including trade associations that have small businesses as members.

DHS will continue to work closely with the private sector to share information as the 2009 flu season progresses, distributing updates on H1N1 to the private sector via e-mail updates, scheduled conference calls, and our other regular information sharing activities. These activities include: regular interactions with private sector representatives by PSO and IP; meetings with DHS leadership; and information sharing mechanisms of the critical infrastructure sectors, fusion centers, and DHS' regional component offices. For example, today, DHS and HHS are kicking off weekly calls using the Private Sector Incident Communications Conference Line (PICCL) to brief private sector representatives of the latest information on H1N1.

We continue to advocate that businesses contact their local health officials to open the lines of communication and secure timely information about developments specific to their community. The materials available at www.ready.gov and www.flu.gov provide a wealth of tools for businesses to prepare for H1N1 and all hazards.

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[9] The www.ready.gov mentoring initiative materials are available at:
http://www.ready.gov/business/mentor/index.htm (English),
http://www.listo.gov/negocios/mentor/index.htm (Spanish).

Conclusion

Good emergency planning will continue to yield returns for small businesses beyond this fall. By preparing for the flu season, small businesses will also be more likely to be prepared for any hazard or threat they may face.

Again, preparedness is a shared responsibility – we can issue guidance, but businesses must take it to heart. Businesses of all sizes must use the guidance provided to build actionable emergency plans. The lines of communication are open and we remain committed to an ongoing dialogue with the private sector on how we can build a more resilient and prepared nation.

Chairwoman Velázquez, Ranking Member Graves and Members of the Committee: Thank you again for this opportunity to testify. I look forward to your questions.

STATEMENT OF

ANTHONY DEMANGONE, DIRECTOR OF REGULATORY COMPLIANCE/ SENIOR COMPLIANCE COUNSEL

THE NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS

BEFORE THE

HOUSE SMALL BUSINESS COMMITTEE

THE CHALLENGES OF THE 2009 H1N1 INFLUENZA AND ITS POTENTIAL IMPACT ON SMALL BUSINESSES AND HEALTHCARE PROVIDERS

SEPTEMBER 9, 2009

STATEMENT OF ANTHONY DEMANGONE OF THE NATIONAL ASSOCIATION OF FEDERAL CREDIT UNIONS SEPTEMBER 9, 2009

Good afternoon, Chair Velazquez and Ranking Member Graves and members of the Committee, I am Anthony Demangone, NAFCU's Director of Regulatory Compliance and its Senior Compliance Counsel. I am here today on behalf of the National Association of Federal Credit Unions.

In my role, I represent NAFCU before the Financial Services Sector Coordinating Council (FSSCC), an organization that champions the protection of America's financial critical infrastructure. I am a member of FSSCC's Infectious Disease Forum, and I was a member of the 2007 Financial Services Pandemic Exercise Control Team, which helped manage a financial services industry-wide table top exercise on pandemic preparations.

While the subject of today's hearing focuses on a very unpleasant topic – the unsettling specter of an influenza pandemic -- I want to commend the leadership of the Small Business Committee for holding this hearing to address readiness and preparation within American's small businesses for such a pandemic.

I also want to recognize the early and ongoing efforts of the Administration to develop a national pandemic strategy designed to protect our government, businesses, and the general public. While it is impossible to plan for every contingency or potential outcome that may occur during an active pandemic, in our view, the strategy details a range of issues and recommendations that,

if implemented properly, should support continuity of operations within the government, the business sector and throughout our society.

From a credit union perspective, I would like to specifically commend the Department of the Treasury, under the direction of Secretary Geithner, for its efforts in coordinating disaster and pandemic planning, survival and recovery for the financial sector. NAFCU has been working with financial regulators on this important issue and provides education to its member credit unions to help them prepare for the effects of a pandemic. I also want to recognize the work of the FSSCC, of which NAFCU is a member, for its diligence in helping financial institutions identify and address the complex issues surrounding pandemic business continuity planning. This organization, working with Treasury and other financial regulators, took an early lead in helping financial institutions focus on the need for specific planning, educating financial institutions about steps that could be taken to protect staff, members and customers following a wide-spread outbreak.

Credit unions, like the federal government and small businesses, have modified their business continuity plans to address unique and specialized needs that would arise in the event of an influenza pandemic. Guidance from the Treasury Department and financial institution regulators stressed the need for pandemic business continuity planning as far back as 2006.

Specifically, the National Credit Union Administration (NCUA) Board, along with the other federal financial regulatory agencies, provided important guidance to credit unions in the first quarter of 2006 to increase awareness concerning the potential threat of widespread influenza

and how financial institutions and their vendors should modify their strategic plans to prepare for particular disasters such as an influenza pandemic. Much of the guidance provided by the financial institution regulators was drawn from the National Strategy for Pandemic Influenza developed by the Administration.

NCUA's guidance is one of a number of activities the agency has undertaken to address pandemic preparedness, both within the agency and with credit unions. Additional efforts the agency has taken include a review of credit union preparedness as part of the agency's risk-focused examination process; guidance for examiners on disaster recovery issues; focusing on records preservation; encouraging credit unions to increase members' access to their accounts via the Internet or other electronic means; and increasing the use of the Treasury Department's direct deposit program, the *Go Direct Campaign*, to help ensure member funds will be available during a pandemic. In particular, with regard to records preservation, NCUA has revamped its regulations to clarify what credit unions must do to prepare for a "catastrophic act." It has also provided recommended guidelines for credit unions to follow in devising their record-keeping plan and to implement in case of a catastrophe.

In short, federal credit unions have been on notice from the NCUA for more than three years that they must develop plans that allow them to maintain operations to serve their memberships during a pandemic. The FSSCC and the Federal government have also provided important information and planning materials to financial institutions, businesses, and the general public at www.pandemicflu.gov.

One of the first steps in developing a strategic plan is the consideration of issues the plan should address. In that respect, in January of 2006, the FSSCC issued a "Statement on Preparations for 'Avian Flu'" and a paper entitled, "Issues of Consideration Regarding Preparations for 'Avian Flu'." As mentioned above, functional regulators such as the NCUA started providing guidance to credit unions to prepare for a pandemic at the same time. The NCUA reiterated key elements for credit unions in a letter addressed to them just this past June. In its letter (NCUA Letter 09-CU-13), NCUA stated:

> *Federally-insured credit unions need to review their disaster preparedness and response plans to ensure their pandemic plan is appropriate for their operation. The plan should include:*
>
> *• A preventative program to reduce the likelihood the operations will be significantly affected by a pandemic event;*
>
> *• A documented strategy which provides for scaling pandemic events including provisions for a possible second and third wave of a pandemic;*
>
> *• A comprehensive listing of facilities, systems, or procedures to continue critical operations if a large number of staff are unavailable for prolonged periods;*
>
> *• A testing program to ensure the pandemic planning practices and capabilities are effective;*
>
> *• An evaluation of critical service provider plans for operating during a pandemic; and*
>
> *• An oversight program to ensure ongoing review and updates are made to the pandemic plan.*

Credit unions have listened to this guidance and many have created plans that address the following:

a. Pandemic-related communications to employees, members and their communities.

b. Policies to implement social distancing, proper hygiene, and other "prophylactic" measures.

c. Cross-training of appropriate staff to ensure that they can maintain operations during a pandemic.

d. Review of operations and facility management to ensure a proper response to pandemics.

Additionally, the cooperative nature of the credit union movement means that many credit unions have worked together in preparing, planning and training for a pandemic. As the trade association for federal credit unions, NAFCU has also held numerous pandemic-related educational events and sessions to prepare our members through webcasts, publications, and at conferences. We have and will continue to press this issue.

US Financial Sector Pandemic Exercise prompts further preparations

The Treasury Department, in conjunction with the FSSCC and The Financial and Banking Information Infrastructure Committee (FBIIC) sponsored an industry-wide Pandemic Flu exercise, conducted between September 24 and October 12, 2007. More than 2,700 financial organizations participated in the exercise, which was developed by over 100 individuals from both the public and private sectors. As a result of the exercise, more than 400,000 questionnaire responses were logged. The results demonstrated that even businesses that had pandemic plans in place found a global flu outbreak posed complex issues and areas where more preparation was needed.

Specifically, the exercise highlighted the need for organizations to include a pandemic-specific focus in their overall business continuity planning efforts. The exercise was designed to stress test the continuity plans of the participating institutions, by simulating absentee rates of up to 49 percent across the country and further stressing key infrastructure, resulting in notable service degradation. The opportunity to test plans and identify systemic risks and critical dependencies provided participants the opportunity to foster strategic thinking, examine key management issues and strengthen overall sector preparedness.

Past Disasters Indicate Potential Weaknesses That May Resurface

A pandemic would undoubtedly differ from a natural disaster like a hurricane, yet lessons learned from how the Hurricane Katrina catastrophe and its aftermath were handled are useful for preparations for a pandemic planning.

In the first few weeks and months after Hurricane Katrina hit, all aspects of the credit union system, including credit unions from states outside the hurricane area and credit union leagues and the national trade organizations, worked together to provide assistance and coordinate relief efforts within the system. A report from the Federal Financial Institutions Examination Council (FFIEC) indicates that business continuity plans generally worked well and allowed institutions to restore operations.

However, there were major difficulties experienced by institutions in the area, including credit unions. This included destruction of offices and facilities; lack of workable phones or other communication devices; lack of power or fuel for generators; lack of transportation; inability to

provide cash through ATMs; inability of personnel whose homes were destroyed or damaged to come to work to staff their institutions; and no delivery or mail service, to name some of the most notable problems.

Further, as has been widely acknowledged, governments should have been better-prepared, responded more quickly, coordinated their efforts more effectively, and communicated with those affected, as well as the nation, in a more timely and comprehensive manner throughout the crisis.

Previous national tragedies such as the attacks of September 11, 2001 and the bombing of the federal building in Oklahoma City in 1995 also reinforced, among other things, the need for all financial institutions to maintain an ongoing record retention program.

All of these disasters – apart from the range of human issues -- brought into focus a number of real, operational concerns for financial institutions, including how to respond to members' needs for cash and how to meet compliance responsibilities. Failure to meet some of the compliance responsibilities may carry penalties and fines for noncompliance, despite an institution's impairment or inability to operate. They also provided us with lessons that can be useful in preparing for a pandemic.

For example:

- It is important that financial regulators continue providing guidance to financial institutions and that they be proactive in communicating information to the institutions they regulate during a pandemic;

- Financial regulators should provide reasonable leeway to impaired institutions regarding compliance responsibilities; and
- Communication among all levels of government on a timely basis is essential.

Recommendations

We also recognize that influenza pandemics are vastly different from other catastrophes, and planning for it has taken this into consideration. NCUA and the other financial regulators have recognized this in their guidance. While financial institutions have begun to prepare, some questions remain unanswered. The following issues, if clarified by Congress and the federal government, would help America's credit unions better prepare for future pandemics.

1. Information. The financial services sector needs accurate and timely information about any developments concerning the current pandemic and what steps the federal, state and local governments are taking in response. How governments handle schools and day care centers closing down directly impacts credit union operations and pandemic response methodologies. In addition, credit unions need information about any potential hurdles that face pandemic-related business continuity plans. For example, will credit unions be able to rely on the telecommunications infrastructure if workers wish to work from home? If not, such information should be made readily available.

2. Regulatory Flexibility. With credit unions facing high levels of absenteeism during a pandemic, it will be difficult for them to comply with many regulatory requirements. Staff trained to comply with the Bank Secrecy Act may be home sick for long periods of

time. Credit unions may need to postpone or cancel mandatory member meetings. Vendors that supply member statements will also face staffing/supply interruptions. Therefore, regulators might consider easing periodic statement requirements (let's not forget that the United States Postal Service and other vendors will be facing high absenteeism as well). Filing deadlines may need to be relaxed, as the employee(s) normally responsible may be at home sick, scared, or caring for loved ones. If we have this flexibility plan in place beforehand, financial regulators will not have to answer repeated questions during a pandemic - when the regulators themselves may have high absenteeism. While the members of the FSSCC have been meeting with financial regulators on this issue and will continue to do so, progress in this area is vital. NAFCU and credit unions continue to work with the NCUA and await their guidance on regulatory flexibility.

3. Authority. Many credit unions continue to ask questions concerning who will be responsible in a given area for pandemic-related issues. Will the federal, state or local governments decide if a quarantine (or closing of businesses) is necessary? Or will this be a private decision made by each business, one at a time? When and how will financial regulators decide when any pre-planned regulatory flexibility will go into effect? In addition, is there a "best practices" as to when businesses should activate pandemic plans? History has shown that an early, well-organized and thorough response to a pandemic will lessen its impact. While a strong, early response seems best, it is unclear as to who will force such a unified response. The flip side is the question of who will give the "all's clear" signal once a pandemic has passed.

4. Liquidity. The impact of Hurricane Katrina demonstrated the need to have cash available to meet liquidity needs. The current economic crisis has demonstrated the importance of liquidity for financial institutions. Should the current pandemic develop more deeply into a healthcare crisis, it will surely strain liquidity and put more challenges on financial institutions already facing a tough environment. For example, credit unions and other financial institutions will still need tellers in addition to staff to supply ATMs with cash.

In raising these issues, I do not mean to criticize the efforts made to date by government officials to prepare for pandemics. As I have stated earlier, speaking on behalf of NAFCU, I wish to praise the current Administration, the FSSCC, financial regulators, and this committee for all their efforts. I raise these issues in the hope that we can address them.

Conclusion

Thank you for the opportunity to provide our views on this timely topic. Again, I commend the Small Business Committee for its commitment to addressing concerns relating to a pandemic and will be pleased to respond to any questions the Committee members may have.

AMERICAN ACADEMY OF
FAMILY PHYSICIANS
STRONG MEDICINE FOR AMERICA

Statement of the American Academy of Family Physicians

Before The

House Committee on Small Business

Regarding
"The Challenges of the 2009 H1N1 Influenza and its Potential Impact on Small Businesses and Health Care Providers."

Presented By
James D. King, MD, FAAFP
Board Chair

September 9, 2009

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Thank you, Chairwoman Velázquez and Ranking Member Graves and members of this Committee, for your invitation to testify today about the potential effects of a major outbreak of H1N1 influenza on America's health providers. On behalf of the nearly 95,000 members of the American Academy of Family Physicians (AAFP), many of whom work in solo or small group practices, we appreciate this opportunity to explore with you the potentially adverse effects of the H1N1 virus on the economic health of the nation.

Family physicians are affected by outbreaks of diseases like H1N1 in two very important ways. First of all, they are on the front line of diagnosis and treatment of the disease. Patients who are succumbing to it will often present themselves to their personal physician when they are beginning to experience symptoms. Often, then, it is the primary care physician who begins to notice the pattern of infection. Once the outbreak is determined, it will be the primary care physician who will be the conduit of health care services for both the infected patients and the "worried well" patients who need to be assured and educated.

Family physician practices will be affected in a second important way. A family medicine practice, especially in rural areas and underserved city areas, will often consist of one or two physicians and a small clinical and administrative staff. When staff members begin to show H1N1 symptoms, it is vital to the health of the practice's patients that the potentially symptomatic staff stays away from the practice's office. As a result, if an influenza outbreak infects just a few members of the practice, the ability of that practice to function would cease. And it is likely to be for a considerable length of time, since the usual recommendation for health care workers is to remain out of the office for seven days from the onset of symptoms.

This reduction in workforce will be occurring, of course, just as the workload is dramatically increasing. Most other business operations will be faced with the loss of staff, but usually it will not coincide with the increase in workload.

In many rural communities, family physicians are also the public health official, coroner, nursing home physician which means a symptomatic physician removes a key player from many community health care functions.

Preparation for Influenza Outbreaks

Family physicians and AAFP are taking the threat of an H1N1 outbreak very seriously and are engaged in extensive preparations. We see it as our fundamental responsibility to provide patients with the right information at the earliest possible time. We are also there to treat those patients who require medical intervention such as prescription of antiviral medicines or treatment of the complications of influenza. And of course many of our members will be involved in the administration of the novel H1N1 vaccine. During an outbreak, correct information, reliably and swiftly delivered to concerned patients, is essential. Those patients who do not need to be seen in a medical setting need to know this so they do not overwhelm the system. Those for whom evaluation and treatment is crucial—those at highest risk of complications—also need to get the information that will lead them to treatment.

The AAFP within a day of the first word of the H1N1 outbreak last spring began updating its website to provide links to crucial information from the Centers for Disease Control and Prevention (CDC), the larger HHS site and the World Health Organization. We have linked our members with the important guidance being issued by the CDC through frequent updates -- both

on our H1N1 website and through our electronic postings of stories and our electronic newsletter, *AAFP News Now*, provided to our members.

We have been updating our various AAFP guidance documents as well such as the Checklist to Prepare Doctor's Office for Pandemic Influenza. The revised checklist should be posted later this week.

The CDC also asked AAFP to assist them in a variety of their activities including addressing the needs of pregnant women, children, primary care practice, immunization recommendations, and the financial issues relating to the administration of H1N1 vaccine.

We have also been urging our state chapters to work closely with their health departments since so many of the important decisions will occur at the local level. One silver lining in this whole affair is that the public health community and the primary care community are working together and learning about the ways they can help each other protect the public.

Individual practices are taking this information and organizing their own worksites and coordinating with community resources, like the local hospitals, community health clinics and other physician practices to appropriately handle the diagnosis and treatment of both seasonal influenza and H1N1 pandemic flu patients, including vaccination. Family medicine practices are encouraged to either provide their own website or link to a reliable local website (like that of a hospital or major clinic) for H1N1 flu information. Such a website should be updated daily or as necessary when the CDC information is updated. Some practices that maintain the e-mail addresses of their patients will be able to send informational e-mails to them, in addition to making the information available to their patients through hand-outs at the office.

The Patient-Centered Medical Home and Service Outside of the Office

A large outbreak of H1N1 exposes a major deficiency in our health care system, namely the lack of coordination. For example, patients can access vaccinations at multiple sites – retail health clinics, work site clinics, health fairs, pharmacies and school based clinics. While this widespread availability makes the immunization convenient for the patient, it contributes to large systemic inefficiencies, like the oversupply of the vaccine and fragmentation in patient care. The production of more vaccines than are in demand leads to waste in the health care system and higher costs eventually for patients and payers. Importantly, fragmentation in care – in this case vaccinations administered outside of the patient's medical home – makes it very difficult for a practice to ensure that all of its patients have received the necessary shots without expending considerable staff effort.

The AAFP, along with the American Academy of Pediatrics, the American College of Physicians and the American Osteopathic Association, have all recommended the implementation of the patient-centered medical home to address precisely this sort of deficiency. If everyone had a medical home, the health care site that provided the immunization would be expected to notify the patient's medical home that the patient had received the necessary immunization. Then the practice would have the technological capability to track that information and provide health care authorities with reliable figures of immunizations. This would help the practice direct its efforts to patients who need to be immunized and would minimize the overproduction and maldistribution of vaccines.

The patient-centered medical home also would connect primary and public health, especially in areas in which the medical home functions and public health functions are more tightly integrated in the community and connected to practices. This is the case, for example, in Vermont's Blueprint for Health and North Carolina's Community Care Medicaid program. In these communities, the medical home is more than about the practice, it is about coordinating community health, too.

There is another failure in our health care system that is obvious during an outbreak. Above all, it makes sense to keep symptomatic patients at home. Therefore, many health care activities, like monitoring of symptoms and tracking of how the patient is taking necessary drugs, should be accomplished by phone or e-mail. These billable services are currently not covered by most payers, but they take considerable staff time and effort. This is another reason that primary care physicians have urged Congress to follow the lead of many private sector providers in implementing patient-centered medical home initiatives. They allow all patients (not just the high-need patients specified in HR 3200) access to a medical home that will provide physician practices with a per-patient per-month fee for services including but not limited to telephone consultations (that would help keep patients out of the emergency rooms) and e-mail communications that will provide more immediate monitoring for the practice and more useful and timely information for the patient.

Diversion of Resources from Non-Influenza Infected Patients

During a significant influenza outbreak, physicians may have to defer service to patients who are managing other chronic diseases or who should receive preventive health services. This is understandable in a widespread emergency situation and such a diversion of resources is temporary and necessary. However, even before H1N1 becomes a pandemic emergency, family physician practices will pay a price for the nation's underinvestment in primary care physicians. As the number of infections increases, family physicians in small and solo practices will find themselves overwhelmed by the number of patients, simply because the there is no where else that patients can go for sustained, reliable non-emergency health care. These practices, which usually serve rural and inner city populations, will have few extra resources to handle the growing number of infected patients. That is why it is imperative that as Congress considers health reform legislation it address this disastrous chronic underinvestment in the education and training of primary care physicians. The AAFP has recommended, for example, that Congress consider increasing Medicare's Graduate Medical Education (GME) payment for primary care residency slots to provide appropriate incentive to the nation's teaching hospitals to invest in primary care residencies. In addition, AAFP is suggesting experimenting with directing GME funds to primary care residency programs that would then contract with hospitals or teaching centers to train more primary care physicians.

Conclusion

Family physicians across the country, whether in rural, urban, frontier or suburban practices, are preparing to address the nation's health care needs during any serious and widespread outbreak of H1N1 or other strain of influenza. However, they and their patients will feel the brunt of the deficiencies in the nation's fragmented health care system that does not take seriously the need for a better investment in primary care. Family physicians will meet the challenge. We hope that Congress does as well.

Statement of the U.S. Chamber of Commerce

ON: **The Challenges of the 2009-H1N1 Influenza and Its Potential Impact on Small Businesses and Health Care Providers**

TO: **The House Committee on Small Business**

DATE: **September 9, 2009**

The Chamber's mission is to advance human progress through an economic, political and social system based on individual freedom, incentive, initiative, opportunity and responsibility.

The U.S. Chamber of Commerce is the world's largest business federation, representing more than three million businesses and organizations of every size, sector, and region.

More than 96% of the Chamber's members are small businesses with 100 or fewer employees, 70% of which have 10 or fewer employees. Yet, virtually all of the nation's largest companies are also active members. We are particularly cognizant of the problems of smaller businesses, as well as issues facing the business community at large.

Besides representing a cross-section of the American business community in terms of number of employees, the Chamber represents a wide management spectrum by type of business and location. Each major classification of American business — manufacturing, retailing, services, construction, wholesaling, and finance — is represented. Also, the Chamber has substantial membership in all 50 states.

The Chamber's international reach is substantial as well. It believes that global interdependence provides an opportunity, not a threat. In addition to the U.S. Chamber of Commerce's 112 American Chambers of Commerce abroad, an increasing number of members are engaged in the export and import of both goods and services and have ongoing investment activities. The Chamber favors strengthened international competitiveness and opposes artificial U.S. and foreign barriers to international business.

Positions on national issues are developed by a cross-section of Chamber members serving on committees, subcommittees, and task forces. More than 1,000 business people participate in this process.

Testimony of Harold Jackson, President and CEO of Buffalo Supply, Inc.
on behalf of the U.S. Chamber of Commerce

Before the U.S. House of Representatives
Committee on Small Business

Hearing on the Challenges of the 2009-H1N1 Influenza and Its Potential Impact on Small Businesses and Health Care Providers

Wednesday, September 9, 2009

Good afternoon Chairwoman Velázquez, Ranking Member Graves, and members of the committee. Thank you for inviting me to testify before the committee today. My name is Harold Jackson. I am the President and CEO of Buffalo Supply, Inc. — a 15-employee, women-owned small business specializing in the sale and distribution of medical and surgical equipment and supplies — located in Lafayette, Colorado. I am pleased to be able to appear before you today on behalf of the U.S. Chamber of Commerce (U.S. Chamber). The U.S. Chamber is the world's largest business federation representing over three million businesses and organizations of every size, sector, and region. More than 96% of Chamber members are small businesses with fewer than 100 employees. I commend the committee for holding this hearing to discuss the challenges of the 2009 H1N1 influenza and its potential impact on small businesses. My testimony is based on my personal and professional experience, and I wanted to especially highlight actions the U.S. Chamber is taking to encourage the business community to prepare for a potentially severe H1N1 flu outbreak this coming flu season.

If I leave the committee with a single point, it is that absenteeism will be the central issue that businesses wrestle with during this pandemic. Businesses should focus on keeping the workplace healthy, including encouraging sick employees to stay home to avoid infecting coworkers, and maintaining business continuity.

BUSINESSES SHOULD ACT NOW TO KEEP EMPLOYEES HEALTHY AND MAINTAIN OPERATIONS

The Next Wave of the H1N1 Flu Virus

The 2009 H1N1 influenza outbreak has demonstrated how rapidly a new strain of flu can emerge and spread around the world. As of late August in the United States, H1N1 was reported in all 50 states and two territories, including nearly 9,000 hospitalized cases and more than 500 deaths.[1] While the initial onset of the H1N1 flu this spring briefly dominated news headlines, its impact was relatively moderate. But the nation — the business community, especially — cannot let down its guard. Federal officials warn that there could be a resurgent H1N1 flu outbreak during the upcoming fall and winter flu season, which could become much more severe.

[1] Official data are available at www.cdc.gov/h1n1flu/update.htm#totalcases. Some estimates suggest as many as 1 million probable cases. Global data can be found at www.who.int/csr/don/2009_08_04/en/index.html.

Absenteeism

At Buffalo Supply, my colleagues and I have discussed what might happen if a significant number of our employees were too sick to come to work. We've discussed how over the course of several months to a year, 15% or more[2] of our workforce could be absent for weeks. We are cognizant that other businesses we rely on could also face similarly high absentee rates.

Each winter in the United States, the seasonal flu kills approximately 36,000 people, hospitalizes more than 200,000, and costs the U.S. economy more than $10 billion in lost productivity and direct medical expenses. Health experts warn that if the H1N1 flu becomes more deadly, it could quickly overwhelm the U.S. public health and health care system. It could also have a substantial impact on our nation's economy.[3] With that much of the population affected, the H1N1 flu could disrupt Buffalo Supply and many others businesses, no matter how big or small.

According to the Centers for Disease Control and Prevention (CDC), in communities where H1N1 flu circulated this past spring, the infection rate was roughly 6% to 8% over a three- to four-week period. During the winter season, infection rates could be two to three times higher, as both the H1N1 flu and the seasonal flu circulate and sicken people simultaneously.[4]

Predicting what influenza might do this flu season is challenging, and so is predicting future absenteeism. Nevertheless, business owners and managers should be familiar with their attendance rates, so that if absenteeism rises above ordinary levels they can take additional actions to protect employee health and mitigate harmful impacts on business operations.

Absenteeism — whether the outlook is similar to spring 2009, causing minimal effects, or more widespread and severe, having more prolonged impacts — will likely be the key issue that businesses wrestle with during this pandemic. Businesses should focus on reducing the transmission of the H1N1 flu in the workplace, including encouraging sick employees to stay home to avoid infecting coworkers, and maintaining business continuity.

Businesses, especially small businesses, will be challenged to balance the need to have key personnel available, whether on or off premises, in order to provide a minimum level of operational support to keep the business functional with workplace policies that provide for the isolation of infected employees. Every business will have different approaches to solving this problem and will need maximum flexibility in order to craft workplace policies that do not exacerbate what may be an already fragile financial environment. The U.S. Chamber is strongly against government passing into law workplace mandates or one-size-fits-all policies that may restrict a business' ability to address the potential outbreak in a measured and thoughtful way.

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[2] In August, a World Health Organization official said that 15% to 45% of a country's population could become infected by the new H1N1 virus by the end of the pandemic. The President's Council of Advisors on Science and Technology reported similar findings on August 27 and are available at **www.ostp.gov/cs/pcast**.

[3] See the National Strategy for Pandemic Influenza (2005) at **http://www.pandemicflu.gov/plan/federal/pandemic-influenza.pdf**.

[4] See July 24 Centers for Disease Control and Prevention press briefing transcript at **www.cdc.gov/media/transcripts/2009/t090724.htm**.

All Hazards Preparedness

For many, running a small business leaves little time for planning for a disaster. Yet, virtually any **major incident or hazard — such as a wildfire, earthquake, or flood — could force a business to close** its doors permanently. According to the Institute for Business & Home Safety (IBHS), 25% of businesses that close following a major disaster do not reopen. It is not clear how many small businesses may close in the wake of a severe pandemic, but they could be especially vulnerable to a virulent H1N1 outbreak and should make preparedness a priority.[5]

Small businesses are the bedrock of private sector industries and their local communities. Even if faced with widespread absenteeism, restricted services, and supply chain disruptions, well-prepared businesses can keep their doors open and our nation's economy strong and resilient.

The U.S. Chamber recommends that small business owners select someone to be responsible for emergency planning, including infectious disease issues, at the workplace. Also, small business owners should update employee telephone rosters, buy emergency supplies (federal officials recommend storing a two-week supply of food and medical resources for work and home), and review emergency plans with employees.

Buffalo Supply has been taking the following actions to keep our employees healthy and maintain business operations:

- Communicating with employees about H1N1 to increase awareness and education.
- Cleaning regularly key boards, desks, file cabinets, and other equipment.
- Installing hand-sanitation stations, like you have in various buildings on Capitol Hill.
- Having a visiting nurse give free seasonal flu shots to employees, and are requesting H1N1 shots when they become available.
- Purchasing additional copies of special software to allow employees to work from home.
- Considering limiting travel, should the pandemic worsen, to reduce the risk of exposure to people with H1N1.

Buffalo Supply is taking these and other actions because, in addition to the threat that a widespread and deadly pandemic could pose to human health worldwide, few industries will be insulated from the economic effects resulting from absenteeism in the workplace or from the downstream effects stemming from supply chain and travel disruptions. It is important for business owners and leaders to be knowledgeable about the risks associated with an H1H1 flu pandemic and, in turn, to be adequately prepared for the possibility that a severe pandemic could have significant social and economic costs.

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[5] IBHS can provide business owners and operators with tools to help them plan for a variety of potential emergencies, including an H1N1 pandemic, which could disrupt day-to-day business. See, for example: **www.disastersafety.org/resource/resmgr/pdfs/pandemic_flu.pdf**.

U.S. CHAMBER ENCOURAGES PLANNING AND PREPAREDNESS

"It's Not Flu as Usual: An H1N1 Business Preparedness Guide"
The U.S. Chamber and Trust for America's Health have teamed up to produce a guide titled, "It's Not Flu as Usual," to provide businesses with practical recommendations on how individuals and organizations can:

- Prepare for the next wave of H1N1 flu, which may be more severe, in order to maintain business continuity.
- Protect employees' health.
- Cut through the maze of public information to focus on essential actions. (See attached appendix.)

This guide includes a list of Internet sites that can provide businesses with a wealth of detailed information on topics like vaccines, antivirals (Tamiflu® and Relenza®), face masks, and respirators. It will be released publicly in a few weeks at **www.uschamber.com/pandemic**. Hard copies can be obtained by the U.S. Chamber's National Security and Emergency Preparedness Department.

Additionally, in August, the U.S. Chamber participated in a Department of Health and Human Services (HHS) webcast discussion on the new federal guidance and toolkit for businesses and employers. The U.S. Chamber worked with the CDC to promote business participation in a series of web-based dialogues and community meetings to help the agency tap public views regarding the government's upcoming H1N1 flu vaccination program. On September 18, the U.S. Chamber will host Dr. Anne Schuchat, who is the CDC's Chief Health Officer for H1N1 Response, to speak on issues related to H1N1 flu preparedness as well as lessons learned from the spring and the outlook for the fall and winter.

ADMINISTRATION DESERVES PRAISE FOR ITS EFFORTS

H1N1 Summit, Vaccine Recommendations, School Closures Guidance
Since the outset of the latest H1N1 flu outbreak, the Obama administration has captured the right mix of communicating concern and encouraging the public to be prepared. Last week, President Obama said, "I don't want anybody to alarmed, but I do want everybody to be prepared."

In July, Secretaries Kathleen Sebelius (HHS), Janet Napolitano (Department of Homeland Security), and Arne Duncan (Department of Education), and Homeland Security Advisor John Brennan hosted an H1N1 Flu Preparedness Summit with state health officials and emergency managers to prepare the nation for the possibility of a more severe outbreak of H1N1 in the fall.

The federal government is preparing for an H1N1 vaccination campaign. Health officials are striving to have a safe and effective vaccine available for distribution as early as mid-October 2009. But it is possible, even probable, that severe outbreaks may begin in different parts of the United States before then. This makes prevention — keeping sick people away from healthy people and following personal hygiene tips — even more important. In July, the Advisory Committee on Immunization Practices recommended who should receive priority for the first vaccinations, including women who are pregnant, health care and emergency medical services personnel, and people with chronic health conditions, such as diabetes.

In addition, the federal government issued in August new guidelines to the nation's 130,000 public and private K-12 schools, which have about 55 million students and 7 million staff, on how to handle a resurgence of H1N1 flu cases this coming school year. During the spring, federal authorities urged schools to close at the first signs of a sick student. However, officials backed away from such a strong stance once they had a better understanding of how the current version of the H1N1 flu behaves and how to control it. Authorities said that students and staff who appear sick should be separated from others until they can be sent home. Sick individuals should stay home for 24 hours after they are symptom free. Officials also stressed that the decision to dismiss students should be made locally. However, state and local officials also are planning for temporary home schooling and are considering additional steps if the flu dramatically worsens. Guidance on school planning can be found at **www.flu.gov/plan/school/index.html**.

Updated Federal Guidance, Toolkit for Businesses

Businesses should focus on reducing the transmission of the H1N1 flu in the workplace, keeping employees healthy, and maintaining business continuity. Businesses should also focus on flexibility. On August 19, federal officials released new guidance for non-health care employers for the upcoming flu season. Federal officials urge employers to respond in a flexible way to varying levels of H1N1 flu severity and worker absenteeism. Businesses and employers are encouraged to review this federal guidance and a toolkit, which includes fact sheets for employers and employees and sample e-mails and text messages for businesses to send to employees. These resources are available online at **www.flu.gov/professional/business**, and the administration deserves credit for updating the guidance and making it a priority. The guidance and toolkit will be beneficial, particularly to small business owners who devote time over the next few weeks toward reviewing the content and implementing some of the suggestions.

CONCLUSION: H1N1 FLU — IT'S EVERYONE'S PROBLEM

If the H1N1 flu becomes more severe this fall and winter, it is likely to be a prolonged and widespread outbreak that could require major changes in many areas of society, including schools, businesses, transportation, and government. To be prepared, government health agencies encourage individuals, businesses, and communities to consider the following:

- Talk with your local public health officials and health care providers, who can supply information about the signs and symptoms of a specific disease outbreak and recommend prevention and control actions.

- Adopt business practices encouraging sick employees to stay home, and anticipate how to function with a significant portion of the workforce absent owing to illness or caring for ill family members.

- Practice good health habits, including eating a balanced diet, exercising daily, and getting sufficient rest.

- Take steps to stop the spread of germs, including frequent hand washing, covering coughs and sneezes, and staying away from others as much as possible when you are sick.

- Stay informed about pandemic influenza and be prepared to respond. Businesses can receive e-mail updates on guidance and H1N1 facts and figures through the federal government's clearinghouse for influenza information: **www.flu.gov**.

Chairwoman Velázquez and members of the committee, the U.S. Chamber and Buffalo Supply recommend that businesses review continuity plans and anticipate nuts-and-bolts issues, such as high employee absentee rates. Both the public and private sectors must incorporate the lessons we learned this spring. Being prepared to respond to an emergency is in a business' own interest; it is also a shared responsibility of both business and government to become engaged in preparation and prevention efforts. By planning and preparing now, businesses can likely mitigate hardships in the future and help create an environment for a resilient economy.

Thank you for the opportunity to testify. I'd be happy to answer any questions you may have.

APPENDIX

Actions Your Business Can Take to
Decrease the Spread of the Flu and to Maintain Business Continuity

Businesses should keep in mind that many strategies take time to implement.

1. Update sick leave and family and medical leave policies and communicate with employees about staying away from the workplace if they are ill. For example, employers may want to temporarily forgo requiring sick notes from employees' doctors to relieve strain on the nation's health care system.

2. Maintain a healthy work environment. Ensure adequate air circulation. Post tips on how to stop the spread of germs at work. Promote hand and respiratory hygiene. Ensure widespread and easy availability of alcohol-based hand sanitizer products, including wipes and gels.

3. Establish an emergency communications plan and revise periodically. The plan should include key contacts (with backups) as well as the processes for communicating pandemic status and actions to employees, vendors, suppliers, and customers inside and outside the work site in a consistent and timely way. During the outbreak this past spring, internal web sites proved effective for communicating to employees and providing links to trusted Internet resources.

4. Identify your company's essential functions, including accounting, payroll, and information technology and the individuals who perform them. The absence of these individuals could seriously impair business continuity. Cross-train employees to perform essential functions.

5. Plan for interruptions of essential government services like sanitation, water, power, and transportation or disruptions to the food supply. For example, your employees may need backup plans for car pools in case mass transit is interrupted.

6. Determine which outside activities are critical to maintaining operations and develop alternatives. For example, what transportation systems are needed to provide essential materials? Does the business operate on just-in-time inventory or is there typically some reserve?

7. Establish or expand policies and tools to promote "social distancing," such as reducing the number of face-to-face meetings and allowing employees to work from home (telecommuting) with appropriate security and network access to applications.

8. Check that existing business continuity contingency plans address long-term absenteeism rates. In particular, check to see if core business activities can be sustained over several weeks with only a minimal workforce available.

9. Collaborate with insurers, health plans, and major health care facilities to share your pandemic contingency plans and to learn about their capabilities and plans.

10. Educate employees now and over the course of a pandemic to limit the negative effects of H1N1 among your workforce. Tell your employees about the threat of a more severe wave of the H1N1 flu virus and about the steps the company is taking to prepare for it, and how basic policies they rely on would, or would not, be impacted.

This list is included in the forthcoming guide, "It's Not Flu as Usual," developed by the U.S. Chamber and Trust for America's Health, which will be available at **www.uschamber.com/pandemic**.

TESTIMONY OF DAVID T. TAYLOE, Jr., MD, FAAP ON BEHALF OF THE AMERICAN ACADEMY OF PEDIATRICS

U.S. HOUSE OF REPRESENTATIVES COMMITTEE ON SMALL BUSINESS

"Challenges of the 2009-H1N1 Influenza and Its Potential Impact on Small Businesses and Small Healthcare Practices"

September 9, 2009

Department of Federal Affairs
The Homer Building
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Good morning. I appreciate this opportunity to testify today before the Committee on Small Business regarding the impact of the novel influenza A (H1N1) virus, also known as swine flu, on American small businesses. My name is David T. Tayloe, Jr., MD, FAAP, and I am President of the American Academy of Pediatrics (AAP), a non-profit professional organization of 60,000 primary care pediatricians, pediatric medical sub-specialists, and pediatric surgical specialists dedicated to the health, safety, and well-being of infants, children, adolescents, and young adults. I have been a pediatrician in private practice in Goldsboro, North Carolina for over 32 years.

On August 24, the President's Council of Advisors on Science and Technology estimated that half of the U.S. population could contract the H1N1 influenza virus between fall 2009 and spring 2010. The panel further stated that this flu strain could result in the hospitalization of up to 1.8 million people and cause as many as 90,000 deaths, a number that is roughly double the death toll from a normal flu season.[1] If these projections prove accurate, this flu epidemic will tax every aspect of our nation's health care system, from emergency departments and hospital wards to private practices and public health departments.

Of special concern to the American Academy of Pediatrics is that fact that this flu strain is impacting children disproportionately. Based on infection rates to date, the Centers for Disease Control and Prevention (CDC) calculates that infection risk in the 0 to 24 age group is 4 to 5 times greater than for those in the 25 to 49 age group, and 20 times greater than for those over age 65. If the virus sickens half of U.S. children this season, the

number of ill children would exceed 37 million. Infection rates could ultimately be even higher. The President's Council of Advisors on Science and Technology warned that, of the 30,000 to 90,000 deaths anticipated, most would be "concentrated among children and young adults."[2]

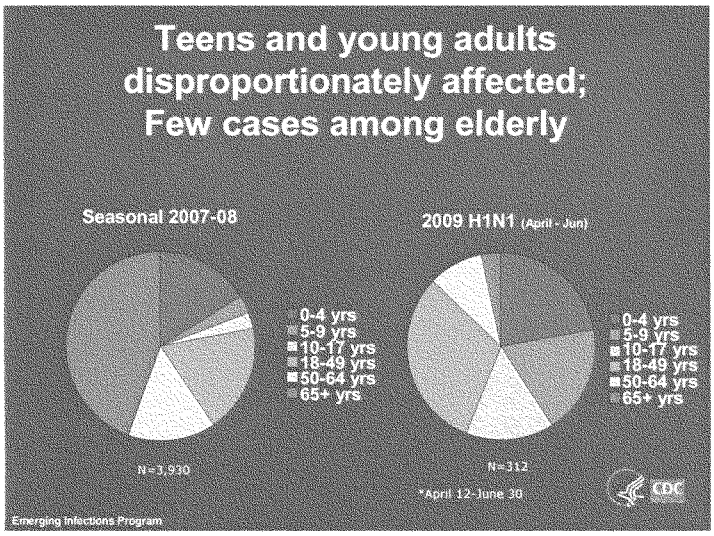

Figure 1. Teens and young adults disproportionately affected; few cases among the elderly. Centers for Disease Control and Prevention, July 2009.

We are encouraged that the federal government is working assiduously to prepare for this flu season. Vaccines are being tested, and communications campaigns are ready to roll out. The public is showing a high degree of engagement and concern, and the AAP is hopeful that large numbers of people will seek to be vaccinated. There are still, however, a number of issues that must be addressed proactively if our nation is to minimize the public health and economic impacts of this epidemic.

Impact of Novel H1N1 Influenza on Medical Practices Serving Children

Pediatric medical practices and other medical providers who serve children face a special challenge from the H1N1 virus. The AAP anticipates that our membership will face a "double whammy" of business interruption due to staff absence and illness combined with much higher workloads from sick children and families seeking vaccination.

Business Interruption and Staff Illness

Over 95% of office-based pediatricians practice in settings defined as 'small businesses' by the U.S. Small Business Administration (i.e., practices with under $10M annual revenue.)[3] Fifty percent of private office-based pediatricians work in practices of 3 or fewer physicians with 8 or fewer non-physician staff; 70 percent work in practices of no more than 5 physicians and no more than 15 non-physician staff.[4] Many practices operate with very small staffs, meaning that one absent nurse or receptionist can all but cripple the office's ability to function. In a 2008 report on pandemic flu to the National Business Group on Health, it was estimated that "15-35 percent of the workforce may be ill and /or absent at any one time. Since employees are the revenue and profit drivers in most corporations, prolonged absenteeism would have a significant adverse impact on corporate revenues and profits."[5]

Most pediatric practices are already facing serious challenges in remaining financially viable. Pediatricians face a combination of economic factors, including:

- Due to the economic downturn and employers' quest to decrease health insurance expenses, the AAP is hearing from our membership that pediatric practices are

seeing increases in families with Medicaid, high deductible plans, or no insurance. These models of payment increase the financial risk for the practice significantly.

- The payment differential between private pay and Medicaid is so severe that there are significant downstream impacts on pediatric practices' ability to keep their doors open. For example, Medicare and most private insurers pay approximately $20 for vaccination administration for adults. State Medicaid program payment to pediatricians ranges from $2 to $17.85 for the same service; thirty-eight states pay $10 or less.[6] Nationwide, Medicaid pays an average of 72 percent of what Medicare pays for the same services, and only 64 percent of average commercial payment.[7] As a result, the more Medicaid patients are seen by a pediatrician, the greater the financial challenge to the practice.
- Medicaid is also under severe financial stress as a result of decreased state tax revenue. We have seen cuts to Medicaid physician payment rates in many states as a result of state budget crises.[8,9,10] The $82 billion in federal Medicaid support included in the stimulus package was critically important and helped mitigate the worst proposed cuts; however, this funding will run out in the near future, and expected Medicaid cuts will compound the difficulty of serving the neediest children.

Increased Caseload Due to Vaccination and Patient Illness

From a clinical perspective, pediatric practices must also plan for greater workloads. Eighty-five percent of all childhood immunizations are delivered through the private sector, the vast majority of those being provided in pediatricians' offices.[11] This year, the

Academy recommends that all children ages 6 months to 18 years receive the seasonal influenza vaccine. The CDC estimates that this adds 30 million children who need to be vaccinated for seasonal flu only.[12] Because the H1N1 flu strain is unlike others (i.e., novel), children appear to have virtually no immunity to it. For that reason, we anticipate that the CDC will recommend that children receive two doses of the H1N1 flu vaccine in order to obtain the maximum protective benefit. Parents may therefore need to make three separate trips to the pediatrician's office – once for the seasonal flu vaccine, and twice more for the H1N1 vaccine. Should this be a child's first season to be vaccinated, parents may need to make four trips- twice for seasonal flu vaccine and twice for H1N1 vaccine. In certain cases it will be permissible to administer the seasonal and H1N1 vaccines simultaneously, but in others it will not.

The AAP encourages the vaccination of children in the medical home whenever and wherever possible. This approach has been shown to increase the numbers of children fully immunized according to current recommendations compliance and decrease the number of missed opportunities. In particular, the medical home will provide better recordkeeping and tracking to follow up with a 2-dose series, and will help to prevent confusion between doses of seasonal flu vaccine and novel H1N2 influenza vaccine that children will receive. While the AAP recognizes that schools and other non-traditional locations may be utilized as vaccination sites in some states, children, and particularly those who are 6 months to 5 years, still need access to the H1N1 influenza vaccine through their medical home. AAP chapters are ready to assist state health departments in identifying distribution methods that will reach as large an audience as possible, while

ensuring that state and local health officials will promote the recordkeeping and notification needed to prevent the over- or under-vaccination of children against both seasonal influenza and the novel H1N1 virus.

Finally, pediatricians expect to see many, many sick children this flu season. Parents may be willing to stay home and nurse their own symptoms through a bout of the flu, but they are far less willing to "wait and see" when their children become sick, especially during a pandemic. For most children, H1N1 will mean a few days of misery. For some, however, this virus could be dangerous or even life-threatening. Pediatricians across the nation will face enormous pressures in meeting the diverse needs of their patients throughout this flu season. Practices may close, temporarily or permanently. This could result in delays in a child seeing a physician, which could in turn lead to an increase in the number of children who are taken to hospital emergency departments. Earlier this year, some hospitals emergency departments experienced double or triple their usual volume of pediatric patients due to parents' concerns about H1N1.[13] As fall begins, the AAP is hearing anecdotal reports of similar increases in some parts of the nation.

Vaccine Administration

Translated to the pediatric practice setting, practices will likely experience staff shortages due to H1N1 illness at the same time they are expected to see higher numbers of children requiring vaccination or ill with the virus. This will likely lead to a decrease in practices' capacity to see patients and cause further financial instability for the practice.

The federal government must do its part in addressing the financial pressure that the H1N1 virus places upon physician practices and hospitals. The AAP understands that the government plans to provide H1N1 vaccine to health care providers free of charge, and for that we are extremely grateful. It must also be recognized, however, that vaccine administration consumes time and resources. Because the H1N1 vaccine is new, parents will have more questions about it that doctors will spend time answering. A reasonable vaccine administration fee of $25 should be provided by all payors, both public and private. The vaccine administration fee should be at least comparable to Medicare rates ($20.92 for one injectable vaccine, and $13.71 for one nasal vaccine), given that the service is comparable; time is needed to address parental questions and concerns; and additional staff may need to be retained to meet high demand.

Impact of Novel H1N1 Influenza on All Small Businesses

Our nation's small businesses should anticipate being impacted directly and indirectly by the H1N1 flu strain. Workers will be ill, productivity may fluctuate due to absenteeism, and important supply chains may be disrupted. Working men and women may see an impact on their wages not only if they must stay home due to their own illness or to care for a family member or even a healthy child whose school has closed, but if hours are reduced based on changes in the business climate.

Employers must take into account and plan for not only workers' illnesses, but those of their family members. Contingency plans will be needed for times when a child's primary caregiver is ill or if their child care program or school is closed. The highly contagious

nature of this influenza strain means that once one member of a family falls ill, it is highly likely that others will do so as well. Parents may be forced to take time off to care for sick children until their symptoms abate to a point where it is safe for them and their peers to return to school. As a pediatrician in community practice, I cannot emphasize strongly enough that we need to help parents to be able to keep their children home when they are sick to avoid infecting other children and their families. Schools may be closed or individual classes cancelled for periods of time. Businesses and employers must recognize the significant public health implications of their policies and help working parents take care of their children without fear of losing their jobs.

It is difficult to overestimate the financial impact of absenteeism. Studies show that even under non-pandemic scenarios, employees having very young children were late to work more often, and those with disabled children reported a greater number of days missed and early departures.[14] The direct costs of absenteeism due to high work-life conflict have been estimated to be in the $3 to $5 billion range per year.[15]

The AAP urges employers to take proactive steps immediately to give workers the flexibility to preserve both their own and the public's health. Employers should actively discourage sick employees from coming in to work; a contagious worker can sicken numerous others, who then spread the virus further into families and communities. Companies should explore opportunities for creative solutions that will preserve both their economic health and the health of their workforce. The CDC has issued extensive guidance for businesses and employers to assist in this process.[16] Even when the steps that

need to be taken are clear, questions remain as to whether small businesses will be able to afford to implement these plans.

It is vital to our nation's public health and economic stability that small businesses serve as partners in limiting the spread of both seasonal and novel H1N1 influenza. There is a significant population of Americans who cannot be vaccinated, including infants under the age of 6 months and children with certain health conditions for whom vaccination is not medically indicated. Employers can help us keep these children healthy by promoting policies that limit exposure to the flu virus.

Recommendations

The American Academy of Pediatrics recommends that the federal government take the following steps to help mitigate the H1N1 epidemic and to assist families, employers, and health care providers in weathering its impact:

- The federal government should provide strong, unambiguous guidance to businesses and employers about the importance of protecting public health by giving workers the flexibility to care for themselves and their families during the H1N1 flu season.
- Health care for children should be provided in the child's medical home. However, medical homes may have limited capacity to accommodate all patients seeking influenza immunization. Because of the increased demand for immunization during each influenza season, the AAP and the CDC have suggested providing the vaccine at any visit to the medical home during influenza season when it is not

contraindicated or at specially arranged "shot-only" sessions and in collaboration with community clinics, schools, and child care centers to provide influenza vaccine. If alternate venues are indeed used, a system of patient record transfer is optimal to ensure maintenance of accurate immunization records. Immunization information systems should be used whenever and wherever available.

- Congress and the Administration should further support the Medicaid system and ensure that pediatric practices can keep their doors open as they address novel H1N1.
- The federal government should recognize the time and resources consumed by vaccine administration and set a payment level of $25 for all public insurance programs, and encourage private payors to follow suit.

The American Academy of Pediatrics commends you, Madam Chairwoman, for holding this hearing today to call attention to the likely impact of the novel H1N1 influenza strain on our nation's small businesses. We look forward to working with Congress to promote policies that will protect child health and public health, as well as our nation's economic health. I appreciate this opportunity to testify, and I will be pleased to answer any questions you may have.

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Statement of the American Farm Bureau Federation

Regarding the Challenges of the 2009 H1N1 Influenza and its Potential Impact on Small Business and Health Care Providers

September 9, 2009

Presented by Mary Kay Thatcher
American Farm Bureau Federation

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Chairwoman Velázquez and Ranking Member Graves, we appreciate you holding this hearing on this important topic and the challenges our nation faces related to H1N1. As evidenced by the extensive work carried out by multiple branches of our government and international bodies, this is a complicated issue that could impact many sectors of the economy. Thank you for allowing me to share the concerns of agriculture as it relates to the H1N1 virus.

Madam Chairwoman, we had many, many pork producers who wished to be here to testify today to explain their personal perspective on how H1N1 has impacted the bottom line for pork producers. The H1N1 Influenza has impacted family farmers. Many have been forced to make serious changes regarding the day-to-day activities on their farms. When H1N1 hit, pork farmers had already struggled through 18 months of losses due to increased expenses.

The futures market indicates very little chance of profit for at least the next nine months. We anticipate the credit markets will continue to be a problem for pork producers and that many will have to sell off sizable portions of their inventory to reduce herd size. This will not only effect pork producers but will likely cause many to lay off employees. This means those employees will likely be without income and health insurance.

The impact on our rural community will be tremendous. The impact of decisions forced on pork producers -- partly by H1N1 -- doesn't stop at the farm gate, but also greatly impacts businesses in town. If herd sizes are further downsized, farmers will purchase fewer supplies from local businesses, such as the fuel station, propane supplier and veterinarians. Rural communities are already struggling to maintain businesses and the credit issues currently facing both the pork and dairy sectors are very likely to further erode the viability of many rural communities.

I want to emphasize the importance of agriculture to the recovery of our economy. While fewer than 1 percent of Americans are engaged directly in agriculture, the sector has a huge impact on our economy. According to the Agriculture Department, agriculture and food account for about 13 percent of U.S. gross domestic product.

Agriculture withstood the downturn in the economy longer than most sectors, but the downturn has now caught up with the agriculture sector in general, and our livestock producers in particular.

While only a fraction of all farm loans have been affected, pork and dairy producers have seen the erosion of huge portions of their lifetime equity in the last year and face a wave of restructurings or forced sales in the next few months. Compounding the issue is that many of the small and regional commercial banks that make farm loans also have credit concerns. More than 80 banks have failed; the most since the early 1990s.

As long as land values hold up, lenders should be willing to refinance carryover debts. However, the Federal Reserve Bank of Chicago recently issued a report that the price of good quality farmland in Iowa and Michigan was 5 percent lower on July 1 than it was on the same 2008 date. Falling land prices are making it harder for farmers to borrow because land is their biggest source of collateral. This is particularly true for the pork and dairy sectors. Considering these bank problems, we fear they may not be able to provide leniency to farm borrowers.

Agricultural exports have dropped more than 20 percent in the first six months of this year in comparison with the first six months of 2008. Net farm income is forecast to be $54.0 billion in 2009, down $33.2 billion and 38 percent from the preliminary estimate of $87.2 billion for 2008. The 2009 forecast is $9 billion below the average of $63.2 billion in net farm income earned in the previous 10 years.

The recent sales price received for hogs is down $25 per head in only the last four months. If the December 2009 Chicago Mercantile Exchange Lean Hogs futures price is an accurate forecast of where hogs will be priced at year's end, producers will be losing $50 per head. Even the futures price for next April indicates a $25-per-head loss.

We believe Congress and the administration could do several things that would be helpful to the pork sector specifically and would also impact the livestock industry in general.

(1) While the administration has made a concerted effort to call this issue "H1N1 influenza," many in the media continue to refer to it as "swine flu." According to the World Health Organization, the World Organization for Animal Health (OIE), the U.S. Centers for Disease Control and Prevention and the U.S. Departments of Agriculture, Health and Human Services and Homeland Security, the H1N1 influenza strain cannot be transmitted by eating pork. It is not a food safety issue. H1N1 is not a food-borne illness. USDA's Agriculture Research Service (ARS) confirmed this when they conducted a study to determine if novel H1N1 caused illness in pigs similar to that caused by other influenzas. The ARS study found that H1N1 virus was only detected in the respiratory tract of infected pigs; the virus does not move to other tissues. Most importantly, the virus does not spread to meat, confirming that pork from infected and recovered pigs is safe to eat. We need Congress and the administration alike to keep reminding consumers of this fact and to use every means possible to ensure the media quits referring to it as "swine flu".

The USDA and the United States Trade Representative have worked diligently with our trading partners to ensure they know that United States pork and pork products are safe, and there is no basis for restricting imports. Yet, in China, the world's largest pork market, 64 percent of its consumers stopped eating pork in the early stages of the H1N1 influenza outbreak. More than one in five consumers in China still believe that eating pork can result in catching the flu virus. This is according to a survey commissioned by the U.S. Meat Export Federation. Fifty-four percent of those who fear the connection between pork and the flu virus say that it is because the virus has been labeled "swine flu." In the U.S., we have had market access issues in two of our top six pork export markets -- China and Russia. We believe this is a large part of why during the first six months of 2009, U.S. pork exports have dropped 18 percent from the level during the first six months of 2008.

(2) USDA operates a program to assist agricultural producers during times of market distress. In addition, it combats hunger. This program operates through the federal purchase of food and agricultural products that would otherwise overburden the market. Products purchased are distributed through the various food assistance programs overseen by USDA.

Section 32 of the Agricultural Act of 1935 established a permanent appropriation for, among other purposes, encouraging the domestic consumption of farm products by diverting surpluses from normal channels to those used by low-income groups. This allows the purchase of meats, poultry, fish, fruits and vegetables when markets become unbalanced. Schools and other domestic food assistance organizations receive these products when they are purchased.

We urge USDA to continue to maximize pork purchase opportunities under Section 32.

(3) Shortly before the August recess, the House and Senate passed legislation that provides $1.85 billion in funding for the "Public Health and Social Services Emergency Fund" to prepare for and respond to an influenza pandemic. The conference report states that funds appropriated and not specifically designated may be transferred to, and merged with, other appropriation accounts of the Department of Health and Human Services and other federal agencies, as determined by the secretary to be appropriate.

The Senate version of the legislation specifically called for the transfer of $100 million to USDA under the heading "Agricultural Programs, Production, Processing and Marketing, Office of the Secretary." We have asked the administration to transfer at least $100 million of the $1.85 billion for use in additional purchases of pork. Without question, part of today's decrease in pork prices is due to the media's misuse of the term swine flu rather than the H1N1 virus. Pork producers are facing dire circumstances and need the government to step up to purchase more pork products. Any assistance this committee could provide in encouraging the administration to make such a transfer of funds would be greatly appreciated.

(4) Recently Agriculture Secretary Vilsack announced that as part of USDA's continuing efforts to listen to and respond to the needs of producers in the dairy industry, he was establishing a Dairy Industry Advisory Committee. We wholeheartedly support this initiative and will be nominating a Farm Bureau representative to that committee. We also believe it is imperative to establish a Pork Industry Advisory Committee immediately. Just as within the dairy sector, the pork sector is in a severe crisis. Both of these committees could play an important role in building a more stable market for livestock producers.

We are extremely appreciative of actions already taken by USDA to use the department's administrative flexibility to provide relief to individuals and businesses in struggling agriculture industries. Especially the secretary's mandate that USDA Rural Development and the Farm Service Agency use all available means to help producers, processors and other small businesses who have been hit by worsening economic conditions.

Madame Chairwoman, we are concerned about many farm families around the United States. We are interested in making sure they can continue to raise pork and also be able to sell it here in America and around the world. We must all continue to work with our trading partners to assure them we are open for business and U.S. pork is safe. There are many hard-working families whose livelihoods depend on us conveying this message of safety. We must also use whatever means possible to encourage additional purchases of pork in the near future.

Madam Chairwoman, Ranking Member Graves, and Members of the Committee:

Thank you for the opportunity to testify regarding the U.S. Department of Homeland Security (DHS) efforts to prepare the small business community for the return of H1N1. I wanted to follow-up with you on some of the issues raised in the hearing and provide an update on our continued focus regarding H1N1.

First, Chairwoman Velázquez asked about the issue of State and local coordination. Since the 2009-H1N1 flu virus emerged, the federal government has worked closely with state and local governments to initiate a swift and coordinated response. The primary liaisons to state, local and tribal governments, the White House Office of Intergovernmental Affairs, the HHS Office of Intergovernmental Affairs (IGA), and the DHS Office of Intergovernmental Programs (IGP) have developed a strategy for developing the methods of coordination and they continue to identify opportunities for improving communications with these partners to address the challenges of the flu season. In addition, DHS's operational components continue to work with their State and local partners on H1N1 preparedness and consequence management in the course of the regular working relationships. My office works with IGP to ensure they are aware of the information we provide to the private sector to ensure consistent and authoritative information is provided to state and local government bodies as well.

Second, Representative Thompson asked about DHS's coordination with first responders. The Office of Health Affairs (OHA) within DHS is finalizing a guide for first responders on how to maintain operational capabilities during a pandemic. OHA has coordinated with the Federal Emergency Management Agency (FEMA) and the U.S. Fire Administration to develop this guide, currently in the final stages of review. Additionally, OHA has worked with the Centers for Disease Control and Prevention (CDC) on pandemic guidelines for emergency medical personnel, available at www.flu.gov.

Third, Representative Leutkemeyer asked about the issue of the naming of H1N1. I agree that it is important to refer to the flu by its scientifically correct moniker. Within DHS, the National Joint Information Center has referred to the flu as H1N1 since April 28, 2009 when communicating with all participants on the federal communications calls, and all DHS communications reflect the determined name of H1N1. My office contacted USDA on April 28, 2009 for guidance on pork safety. USDA provided us with a statement from Secretary Vilsack and frequently asked questions on pork safety, and we shared this with the private sector stakeholders immediately. We continued to provide this information in our daily e-mail, adding additional information as it became available. We disseminated information on the USDA Food Safety Inspection/Food Safety Education Page, the USDA Meat & Poultry Hotline, Secretary Vilsack's testimony before the Senate Subcommittee on Agriculture, and the joint statement made by the Secretaries of Agriculture in Canada, the U.S. and Mexico.

Finally, Monday, DHS, the Department of Health and Human Services (HHS), and Small Business Association (SBA) released the guide, "Planning for 2009 H1N1 Influenza: A

Preparedness Guide for Small Business." It is now available at http://www.flu.gov/professional/business/smallbiz.html. I hope you can assist us in promoting this information by linking to it from your website. To include additional flu information and 'widgets' to your websites, visit: http://www.pandemicflu.gov/news/socialmedia/index.html

Thank you for the opportunity to bring much needed attention to H1N1 preparedness in small businesses. If you have questions about the work in additional DHS offices, the Office of Legislative Affairs can assist in providing appropriate contacts. I look forward to working with you in the future on this and other private sector issues.

Sincerely,
Bridger McGaw

Assistant Secretary for the Private Sector (Acting)
Office of Private Sector
Department of Homeland Security

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September 10, 2009

The Honorable Blaine Luetkemeyer
House Small Business Committee
1118 Longworth House Office Building
Independence & New Jersey Ave., SE
Washington, DC 20515

Dear Representative Luetkemeyer:

Yesterday you heard testimony from the American Farm Bureau Federation on the grave situation facing America's hog farmers and the role of H1N1 in fueling this crisis on the countryside. While Farm Bureau's testimony very clearly laid out the challenges facing hog farmers as a result of the virus, I think it is important for the Committee to have at least one personal example of how the virus is changing the face of hog farming and rural America.

My husband, Kevin, and I are 5th generation farmers. We raise hogs on our family farm with Kevin's parents and his brother's family. Kevin's parents started our farm with 160 gilts. We are currently a 2,400 sow farrow to finish operation. We own our own hogs. We also have our own feed mill, which allows us to purchase grain from over 300 local farmers to feed our hogs. Our family farm and feed mill provide 17 full time jobs to our rural community, seven of those are held by family members.

The H1N1 Influenza has had a massive impact on my family farm. The last week of April is one I will never forget. It is the week H1N1 stole our farm. We have been forced to make serious changes regarding the day-to-day activities on our farm. When H1N1 hit, we were coming off 18 months of losses due to increased expenses that were largely out of our control. We desperately needed a summer rally to return profit to our farm. In the past, we purchased weaned pigs from local farmers, but because of decreased demand for pork, we have been forced to discontinue two of these partnerships.

The futures market indicates very little chance of profit for at least the next nine months. As a result, we are being forced to make changes on our farm once again. We are currently considering selling sows to reduce our herd size. If we move forward with this plan, we will have to eliminate five of our employees. This will be a loss of income totaling more than $160,000 for those families, not to mention the loss in benefits, which include health insurance.

The impact on our rural community will be tremendous. This comes at a time when hundreds already have lost their jobs due to factory closings. Each week, at least five people come to our farm looking for work. Soon there could be five more people looking for work in our community. There are no jobs to be found.

The impact of decisions forced on us -- partly by H1N1 -- doesn't stop at the farm gate, but also greatly impacts businesses in town. If we downsize our herd, we will be purchasing fewer supplies from our local businesses, such as the fuel station, propane supplier and our veterinarian. If relief doesn't come quickly for the pork industry, family farms like mine will be a thing of the past. Our family works hard to provide safe and nutritious pork for not only our family, but your families as well. Our motivation has always been to bring the 6th generation of farmers back to the farm. In today's market, this goal is further from reality than a mere 24 months ago.

I want to emphasize the importance of agriculture to the recovery of our economy. While fewer than 1 percent of Americans are engaged directly in agriculture, the sector has a huge impact on our economy. According to the Agriculture Department, agriculture and food account for about 13 percent of U.S. gross domestic product.

I would like to thank the House Small Business Committee for recognizing the economic importance of the H1N1 virus on the countryside and for taking the time to explore this critical issue. My family, our employees, and the rural agribusinesses that we support greatly appreciate your attention to this matter.

Sincerely,

Chris Chinn

Chris Chinn

Written Testimony Of
National Pork Producers Council

On

The Novel H1N1 Influenza

House Committee on Small Business

September 16, 2009

Introduction

The National Pork Producers Council (NPPC) is an association of 43 state pork producer organizations and serves as the voice in Washington, D.C., of America's 67,000 pork producers.

The U.S. pork industry represents a significant value-added activity in the agriculture economy and the overall U.S. economy. In 2008, it marketed more than 115 million hogs, and those animals provided total gross receipts of more than $15 billion. Overall, an estimated $21 billion of personal income from sales of more than $97 billion and $34.5 billion of gross national product are supported by the U.S. hog industry. Iowa State University economists Dan Otto and John Lawrence estimate that the U.S. pork industry is directly responsible for the creation of nearly 35,000 full-time equivalent jobs and helps generate an additional 515,000 indirect, mostly rural, jobs.

The U.S. pork industry today provides about 20 billion pounds of safe, wholesome and nutritious meat protein to consumers worldwide.

Like many other segments of the U.S. economy, the pork industry has suffered through some tough economic times over the past two years. Since September 2007, the U.S. pork industry has lost more than $4.6 billion, or 60 percent, of its equity, with producers losing an average of more than $21 on each hog marketed.

The industry's one bright spot has been exports, which have helped temper U.S. pork producers' losses. In 2008, the United States exported 2.05 million metric tons, or 4.4 billion pounds, of pork valued at nearly $5 billion. Last year was the 17th consecutive year of record pork exports.

U.S. Pork Industry's Economic Crisis

Before H1N1 influenza first received widespread media attention in late April, U.S. pork producers already were suffering from tough economic times. The downturn started in October 2007, and producers lost an average of more than $21 on each hog marketed over the next 18 months. On April 24, average losses were under $11 a head, and the summer grilling season, when hog prices typically rally, was imminent. But reports on the H1N1 flu, misnamed "swine"

flu by the media, voided the rally and sent hog prices plummeting, as some U.S. trading partners closed their markets to U.S. pork, citing (mistakenly) fears of H1N1.

H1N1 influenza contributed to a decline of both current and future hog prices since April 24. According to Dr. Steve Meyer, president of Paragon Economics, cash prices for market hogs, after falling sharply in the first three weeks of the H1N1 crisis, remained near $60 per carcass hundredweight (cwt.) from the week of May 15 until the week of June 12 when they dipped to $57 per cwt. They remained at that level until the first two weeks of August when they plunged largely because of higher U.S. hog slaughter numbers. But even $60 per cwt. is much lower than the levels predicted by Chicago Mercantile Exchange Lean Hogs futures prices on April 24. Iowa State University estimated that Iowa farrow-to-finish hog producers lost $25.69 per head on hogs sold in July.

Lean Hogs futures prices now imply much lower cash hog prices through 2010 than they did on April 24. Based on these lower futures prices, cash hog prices may be below the cost of production virtually every month through the end of 2010. This means that producers will continue to lose money on each hog they sell.

The average revenue reduction from April 24 to mid-August was $24.91 per pig, and total revenue has been reduced by a cumulative $991 million relative to levels that April 24 futures prices would have provided. The sum of all actual and projected revenue reductions for the period from April 24 to the end of 2009 now stands at $2.185 billion. This assumes actual prices will in fact be the same level as suggested by August 18 futures prices.

The losses attributable to the H1N1 scare coupled with those the industry already suffered since September 2007 mean pork producers have lost more than $4.6 billion, or 60 percent, of their accumulated equity over the past two years.

Additionally, with a significant amount of U.S. pork being exported, international demand for U.S. pork also affects U.S. pork producers. Disruptions in exports because of the H1N1 flu – China and some smaller countries are maintaining bans on U.S. pork imports because of the

virus – and better production have put an estimated 6 to 7 percent more pork on the U.S. market. Federally Inspected hog slaughter has been 1 percent higher than was expected at the end of April for the period from May 2 to July 24. Slaughter weights have been 3 pounds heavier than one year ago when about a 1-pound increase was expected. Much of this increase is attributable to extraordinarily cool temperatures this summer in major hog producing areas. The extra 2 pounds adds 1 percent to production.

Constant Collaboration On H1N1

The U.S. pork industry has worked cooperatively with the American Association of Swine Veterinarians (AASV) to assure that producers and veterinarians have the latest information and science on H1N1. Because H1N1 is expected to be found in the U.S. pig herd this fall, NPPC and the National Pork Board worked with the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) to help shape response guidelines so that the government response is proportionate to disease risk. We also have been working with the Centers for Disease Control and Prevention and with the Department of Health and Human Services.

The state pork associations have worked with their respective state veterinarians. The USDA-APHIS plan provides guidance to the state veterinarians, and the state pork associations will work to ensure that interstate movement of pigs would not be affected by different state interpretations of the same plan. They also encouraged their state veterinarians to include the state public health veterinarian in the planning for H1N1 in the pig herd.

The other important piece to the first diagnosis of H1N1 in the U.S. pig herd is whether or not the recovered pigs will able to be sold. There is still public perception that H1N1 is linked to pigs and pork. Many producers are fearful that if H1N1 were diagnosed on their farm, they would not have a market for their pigs. Therefore, the U.S. pork industry has also collaborated with the packer and retailer communities on H1N1. As new information becomes available, the U.S. pork industry communicates those findings with our customers, the packers and our customers' customers – the retailers.

Consumers Cannot Get H1N1 From Eating Or Handling Pork

USDA's Agriculture Research Service (ARS) conducted a study to determine if H1N1 caused illness in pigs similar to that caused by classic influenzas and to determine if the virus could be spread to muscle tissue. Pigs were inoculated with the novel H1N1 virus. The study found that live H1N1 was only detected in the respiratory tract of infected pigs; the virus does not spread and replicate in other tissues. Most importantly, the virus does not spread to meat, confirming that pork from infected and recovered pigs is safe to eat. These findings are consistent with other influenza viruses that commonly affect pigs. The summary of this study can be found at www.ars.usda.gov/2009H1N1/. ARS researchers are conducting additional studies to continue broadening the knowledge of H1N1 in pigs.

The USDA's Food Safety Inspection Service (FSIS) has strict safeguards in place to protect the safety of the U.S. food supply. All pork found in retail stores has been vigorously inspected by FSIS inspectors for wholesomeness. Every pig is inspected for signs of disease to ensure sick pigs do not enter our food supply. The "Passed and Inspected by USDA" seal ensures the pork is wholesome and free from disease. Additionally, the Federal Meat Inspection Act (FMIA) prohibits the sale, purchase or transport of animals that are ill.

H1N1 Has Been Found In Pigs In Other Countries

Ongoing surveillance in Canadian pig herds has detected the novel H1N1 influenza virus in several herds. Movement of pigs from these locations was immediately limited to prevent transmission of the virus to other pig herds. Biosecurity protocols, including worker personal protective equipment, were enhanced to further protect pigs and the workers in the barns.

In the herds where the virus has been detected, the disease was very mild, with pigs showing only mild signs of respiratory illness such as a mild cough and nasal discharge, depressed feed intake and fevers. Animals were monitored by the herd veterinarian and recovered uneventfully within 4-7 days after the onset of illness. The virus did infect piglets born to infected sows, and the virus subsequently moved through the production channels to nursery, feeder and finisher sites.

In a recent policy statement, the Canadian Food Inspection Agency and the Council of Chief Veterinary Officers agreed that farms where pigs have been diagnosed with novel H1N1 do not require quarantine or eradication of the pigs. The novel virus does not behave any differently in pigs than other influenza viruses commonly detected in swine herds, and there is no evidence to indicate that animals play a significant role in the spread of the virus in the general human population.

Novel H1N1 has also been found in pigs in Australia, Chile and Singapore, and on August 23, Chilean officials communicated the first isolation of the virus in turkeys. The conclusion of the genetic sequencing studies is the influenza virus isolated from the turkeys corresponds to H1N1 influenza that has been circulating in Chilean people.

What Congress and USDA Can Do To Help U.S. Pork Producers

U.S. pork producers are in a severe economic crisis, which was exacerbated by the H1N1 flu outbreak, so NPPC and its producer members are asking Congress to take the following actions:

- Re-examine a spending cap on USDA's Section 32 program and consider using funds from the program to purchase pork for various federal food programs.
- Convey to the Secretary of Agriculture the need to purchase on Oct. 1 a minimum of $50 million of pork, using fiscal 2010 funds.
- Encourage the Obama administration to use $100 million of the $1 billion appropriated for addressing the H1N1 virus for the swine industry. This would include $70 million for swine disease surveillance, $10 million for diagnostics and H1N1 vaccine development and $20 million for industry support.
- Urge the U.S. Trade Representative to work with foreign trading partners to open export markets to U.S. pork, particularly China, which continues to impose an unwarranted ban on U.S. pork, citing fears of the H1N1 flu.

Summary

U.S. pork producers, many of whom are small businesses, provide a safe, wholesome product for American and international consumers at an affordable price. Many pork producers have not seen a more severe time in the history of the U.S. pork industry, which is losing producers daily. As these producers exit the industry, they leave a void in the communities in which they live and operated. The U.S. pork industry needs assistance to protect the livelihoods of pork producers and to help them remain a viable part of the rural American economy.

American Hotel & Lodging Association
September 9, 2009

Submitted Testimony for the House Small Business Committee Hearing, "The Challenges of the 2009-H1N1 Influenza and Its Potential Impact on Small Businesses And Healthcare Providers."

Madam Chairman, the American Hotel & Lodging Association (AH&LA) is honored to submit its testimony for the Committee's hearing today on H1N1 influenza and its potential impact on small lodging businesses. I applaud the leadership of the House Small Business Committee for addressing this important issue and for holding this hearing on the effect of H1N1 on small businesses, especially those who are very dependent on labor to make their business succeed.

AH&LA is a 99-year-old dual membership association of state and city partner lodging associations throughout the United States with some 10,000 property members nationwide, representing more than 1.4 million guest rooms and over 1.8 million employees in the United States. Our industry's annual revenue exceeded $133 billion in 2006 while yearly travel-related wages and salaries is more than $177 billion in the travel and tourism industry. AH&LA's membership ranges from the smallest independent properties to the largest convention hotels. Every hotel, motel and resort in our country is unique due to factors that include size, type, location, services offered, clientele, ownership, and status as an independent or chain affiliate.

A large portion of the lodging industry consists of small businesses. 86 percent of properties in the United States have less than 150 rooms, while 56 percent of properties have less than 75 rooms. 52 percent of properties charge less than $60 a night, and 21 percent of properties charge less than $45 a night.

Our industry's ability to weather the H1N1 and seasonal flu this year will greatly affect our member's abilities to run their properties. We are very dependent on labor to insure that our guests receive superior service while they stay at our facilities. If 30 percent of our labor force is out sick, that will mean that 30 percent less staff are available to maintain rooms and public areas, carry luggage, or offer other hotel amenities such as full-service restaurants.

It is critical that our member's labor force, both management and staff alike, are fully aware of H1N1 flu and what can be done to prevent its spread. It is also important that they know what to do to maintain good health and recover from it without spreading it further in the hospitality workplace.

The novel H1N1 influenza A emerged quickly as a leading national news story in late April 2009. AH&LA was there from the beginning to keep its lodging membership informed on this fast-developing story. We depended on the in-place resources and planning of the Centers for Disease Control and our existing relationship with the Private Sector Office of the U.S. Department of Homeland Security for accurate and authoritative information about the disease's spread and what to do to protect our guest's and employee's safety.

AH&LA immediately posted a H1N1 flu Webpage, listing current news, precautions, hotel operations information, and government plans and assistance during a pandemic flu outbreak. Two emails were quickly sent that week to the entire AH&LA membership alerting them to increase their sanitary practices and to visit the association's Website for more information.

AH&LA's President and CEO Joseph McInerney was quoted extensively by national media outlets such as *USA Today*, the *Washington Post*, and the *New York Times* on how this disease was affecting the travel industry. Through our membership communications system, President McInerney reiterated a day after the disease was reported in the major media outlets the importance of good sanitation practices at all properties.

AH&LA was also part of the daily phone briefings conducted by the Centers for Disease Control and Department of Homeland Security (DHS). AH&LA is part of the infrastructure protection partnership with DHS. The information gathered from these daily briefings were immediately posted on the AH&LA H1N1 flu Webpage. AH&LA also attended two emergency briefings held at the Commerce Department and the White House about businesses' role in preventing and stopping this disease.

After the initial April breakout subsided, AH&LA continued to prepare for the reemergence of H1N1 during the fall 2009 flu season. It recognized that the central challenge faced by hoteliers was not low staff levels or inadequate supplies, but being provided the right information. Hotel staffs, as part of their regular duties, are well-trained in proper sanitation procedures, but needed information as to the critical locations where H1N1 viruses could be spread. Management also needed guidance on what to prepare for in reduced staff levels due to illness, as well as what to do about sick guests.

In early September, AH&LA released "H1N1 Influenza Management in Hotels," a guide for lodging businesses to use in managing H1N1 influenza virus situations at their properties. A copy of this guide has been submitted to the Committee as part of this statement.

The 26-page manual gives hoteliers guidance for employees and guests who are afflicted with the H1N1 flu and other influenza strains. It also covers basic sanitation practices to use when cleaning guestrooms and public areas.

The "H1N1 Influenza Management in Hotels" manual is divided into 10 areas: a basic introduction to H1N1 flu and its treatment, the need for a hotel response plan and its basic components, employee safety, what to do if a guest is ill, guest room decontamination, food services, guest and employee communications, severe pandemic flu planning, and a comprehensive list of Internet H1N1 flu resources. Sample letters informing guests about H1N1 outbreaks, press releases, employee communication about H1N1 risks, and reporting possible illness are included. There is also a list of common hotel areas that should receive frequent decontamination, as well as a question-and-answer guide on H1N1 flu for employees.

The guide complements the work by public health authorities to inform Americans about H1N1 flu and what can be done by people to minimize the risks to themselves and others from this illness. The basic recommendations to stay home from work if ill, frequent and thorough hand washing, cough etiquette, and area cleanliness are emphasized throughout the guide.

In a prepared September 4, 2009, statement, AH&LA President McInerney remarked about the guide, "Being informed and knowledgeable about today's flu is one of the best vaccines hoteliers can use to protect their guests and staff. This guide will help our industry develop plans to handle staff absenteeism, sick guests, room sanitation, and a number of other important areas they might encounter every day throughout this pandemic. Leadership in a crisis depends on information, and this guide will help fill in the blanks about what to do."

AH&LA's resources offered to its small business members on this year's flu situation also includes a Webinar on H1N1 flu and industry practices. The September 29 Webinar will provide the latest H1N1 news to hoteliers, as well as answer many of the questions emerging from this public health situation. It also provides to its members and the public a central H1N1 Webpage listing industry resources, as well as links to the government's main H1N1 Webpage, **www.gov.flu**, and the many government Webpages devoted to supporting small and large businesses with important information on how to manage their companies during a pandemic.

AH&LA's "H1N1 Influenza Management in Hotels" manual is available to all U.S. lodging industry businesses, and we are encouraging its distribution. It can be downloaded as an Adobe PDF document from **www.ahla.com/flu**.

In conclusion, we applaud what the U.S. national, state, and local public health authorities, the Centers for Disease Control, and the Departments of Homeland Security and Health and Human Services are doing to communicate H1N1

prevention practices to the American people and our industry's managers and employees. Preparation is the key to handling this crisis properly, and what we have seen so far gives us encouraging hope.

Our industry, like all the others in the U.S., is now waiting to see what happens as this new virus begins its second journey throughout our nation.

AH&LA thanks you for the opportunity to testify before your Committee today. Our association is ready to work with your Committee today and in the future to insure that America's businesses and their employees are informed and protected against this threat to their health.

# # #

Serving the hospitality industry for nearly a century, the American Hotel & Lodging Association (AH&LA) is the sole national association representing all sectors and stakeholders in the lodging industry, including individual hotel property members, hotel companies, student and faculty members, and industry suppliers. Headquartered in Washington, D.C., AH&LA provides members with national advocacy on Capitol Hill, public relations and image management, education, research and information, and other value-added services to provide bottom-line savings and ensure a positive business climate for the lodging industry. Partner state associations provide local representation and additional cost-saving benefits to members. For more about AH&LA, visit ***www.ahla.com****.*

H1N1

H1N1 Influenza Management in Hotels

Fall 2009

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Introduction

This plan is designed to assist you with your management of any potential H1N1 influenza outbreak in your lodging business among employees and guests.

This document is a generalized template for informational purposes only and cannot be used as-is for any particular hotel. Any final plan must take into account the nature and configuration of the property, the nature and configuration of the local outbreak and available resources, local and state laws, personnel availability, food and water sources and a myriad of other specific considerations. AH&LA makes no warranty whatsoever concerning the accuracy or completeness of this information, and no person is entitled to rely thereon upon it.

What is H1N1 Influenza?

Novel H1N1 (also referred to as "swine flu") is a new influenza A virus strain causing illness in humans. Since it was first detected in April 2009, this virus is spreading from person-to-person, probably in much the same way that regular seasonal influenza viruses spread. It has now spread worldwide to every continent except Antarctica.

In normal seasonal flu, there are certain people that are at higher risk of serious flu-related complications. This includes people 65 years and older, children younger than five years old, pregnant women, and people of any age with certain chronic medical conditions. Indications are that pregnancy and other previously recognized medical conditions also appear to be associated with increased risk of complications from this H1N1 virus infection as well.

Reports indicate that no children and few adults younger than 60 years old have existing antibody to the H1N1 flu virus; however, about one-third of adults older than 60 may have antibodies against this virus.

So far, with this strain of H1N1 flu, the largest number of confirmed and probable cases has occurred in people between the ages of 5 and 24-years-old. At this time, there are few cases and no deaths reported in people older than 64 years old, which is unusual when compared with seasonal flu. However, pregnancy and other previously recognized high risk medical conditions that increase the risk of influenza-related complications, like asthma and diabetes, appear to be associated with increased risk of complications from this H1N1 strain.

In June 2009, the World Health Organization declared the incidence of H1N1 a pandemic — a reflection of the spread of the virus, not the severity of illness, according to the U.S. Centers for Disease Control and Prevention (CDC). At the time, more than 70 countries had reported cases of this strain of H1N1 flu. The United States has reported the largest number of cases of the virus, which has now spread to every state and four U.S. territories, according to the CDC.

Symptoms of H1N1 Flu

The symptoms of this H1N1 flu virus in people are similar to the symptoms of seasonal flu.

They include:

- Fever, usually higher than 101° F, and chills
- Sore throat
- Headache
- Body and muscle aches
- Dry cough
- Runny or stuffy nose
- Tiredness, fatigue, and weakness

A significant number of people who have been infected with this H1N1 flu virus also have reported diarrhea and vomiting.

According to the CDC it is expected that most people will recover from the current strain of H1N1 flu without needing medical care. However, if an employee or guest becomes ill and begins to experience any of the following warning signs, have them seek emergency medical care.

In children, emergency warning signs that need urgent medical attention include:

- Fast breathing or trouble breathing
- Bluish or gray skin color
- Not drinking enough fluids
- Severe or persistent vomiting
- Not waking up or not interacting
- Being so irritable that the child does not want to be held
- Flu-like symptoms improve but then return with fever and worse cough

In adults, emergency warning signs that need urgent medical attention include:

- Difficulty breathing or shortness of breath
- Pain or pressure in the chest or abdomen
- Sudden dizziness
- Confusion
- Severe or persistent vomiting
- Flu-like symptoms improve but then return with fever and worse cough

How it is Transmitted

H1N1 flu is spread from infected people to other humans who come in contact with them. The virus is spread in the same way that seasonal flu is spread—through the air in tiny droplets when someone with the virus coughs, sneezes, laughs, or talks.

A person can also become infected when they touch a surface on which droplets have landed and then transfer the virus to your eyes, nose, or mouth. This includes doorknobs, elevator buttons, pens and pencils, computer keyboards, exercise equipment, television remote control, counter or table surfaces, and other commonly used items found in a hotel environment.

Touching used tissues, or sharing utensils, drinking glasses, or a toothbrush with an infected person can also expose a person to the H1N1 virus.

Treatment of H1N1 Flu

If an infected person's symptoms are severe, healthcare providers may prescribe medications called antivirals. After taking the medication, the symptoms may be milder and one may recover quicker than without the medication. The medication also may prevent serious complications such as pneumonia. The drugs work best if given within 2 days of becoming ill, but may be given later if illness is severe or for those at a high risk for complications.

There are two influenza antiviral medications that are recommended for use against H1N1 flu. The prescription drugs that are used for treating this strain of H1N1 flu are called oseltamivir (trade name Tamiflu ®) and zanamivir (Relenza ®). As the H1N1 flu spreads, these antiviral drugs may become in short supply. Therefore, the drugs may be given first to those people who have been hospitalized or are at high risk of severe illness from flu.

Aspirin or aspirin-containing products (e.g., bismuth subsalicylate – Pepto Bismol) should NOT be administered to any confirmed or suspected ill case of H1N1 virus infection aged 18 years old and younger due to the risk of Reye's syndrome, a rare disease. For relief of fever, other anti-pyretic medications are recommended such as acetaminophen or non-steroidal anti-inflammatory drugs.

Treating Flu Symptoms

In addition to any prescription drugs recommended by a healthcare provider, there are also other procedures that an infected person can do:

Stay home from work. Workers who have symptoms of influenza-like illness are recommended to stay home and not come to work until at least 24 hours after their fever has resolved. Staying home allows an infected person to recover faster and return to work, and also stops the spread of the virus in the workplace. Employers who keep sick employees home will recover their lodging business operations faster than those employers who do not.

Drink lots of fluids. Fluids such as water, fruit juice, and warm soup will prevent dehydration. A good rule is to drink enough so that you are able to urinate at your normal amount.

Get plenty of rest. Your body needs to rest to let your immune system function at the maximum level possible. A tired person will not recover as quickly.

Ask your healthcare provider about fever and pain medications. Take any medication only as directed. Acetaminophen can be administered. Do NOT give aspirin to children under age 18 because of a risk of contracting Reye's syndrome.

Call your doctor if your fever becomes severe. If your fever rises over 101 degrees F, or you become dizzy, light-headed, or experience shortness of breath, quickly seek medical attention.

How To Protect Yourself and Others Against H1N1 Flu

- Stay informed. Health officials will provide additional information as it becomes available. Visit the U.S. government's central H1N1 Website at www.flu.gov.
- Wash your hands often with soap and water, especially after you cough or sneeze. Alcohol-based hand cleaners are also effective. Frequent handwashing is a proven way to prevent infection. CDC recommends that when you wash your hands -- with soap and warm water -- that you wash for 15 to 20 seconds.
- Carry an alcohol-based hand gel containing at least 60 percent alcohol. Use it when you don't have access to soap and water. Alcohol gels kill most germs and are safe for children.
- Avoid touching your eyes, nose, and mouth. Germs spread this way into your body.
- Cough or sneeze into a tissue. Then throw the tissue away and wash your hands. If you don't have a tissue, cough or sneeze into the crook of your elbow.
- At home and work, clean phones, computer keyboards, and other surfaces you use often with disinfectant wipes.
- If possible, avoid close contact with others, especially if H1N1 cases have been identified in the area where you live.
- Don't share food, utensils, drinking glasses, or a toothbrush with others.
- Ask your doctor whether others in your household should receive antiviral medication to help them avoid infection.
- Follow public health advice regarding school closures, avoiding crowds, and other social distancing measures.
- If you are sick with a flu-like illness, stay home until at least 24 hours after you are free of fever or free from signs of a fever without the use of fever-reducing medications. (A fever is classed as a temperature of 100° F [37.8°C] or higher.) Please stay isolated in your home except to seek medical care or for other necessities. Think of others. Remember, you would want sick people to stay home to protect your own health.
- If you are sick, keep away from other household members as much as possible. This is to keep you from infecting others and spreading the virus further.
- A H1N1-specific vaccine will be made available by public health authorities in fall 2009. Vaccine will be available in a number of settings, such as vaccination clinics organized by local health departments, healthcare provider offices, schools, and other private settings such as pharmacies and workplaces. However, the seasonal flu vaccine being distributed this fall is NOT expected to protect against this strain of H1N1 flu.

- The government will offer the H1N1 vaccine in this order of priority:
    1. Pregnant women, caretakers of children under 6 months, health care workers and emergency medical workers, children and young adults 6 months through 24 years old, adults 24 to 64 who have underlying medical conditions such as asthma or diabetes that place them in higher risk categories
    2. Healthy adults 25 through 64 years old
    3. Healthy adults 65 and older

Hotel Response Plan

This information is based on what is currently known about this new 2009 strain of H1N1 influenza A. It will be updated upon receiving new information. Updated copies of this booklet will be made available online to AH&LA members at **www.ahla.com/flu.**

Above all, you need to have a plan. This information can help you creating a plan, but it will not suffice for the plan itself. You need to take some time in your own hotel and sit down with your managers and staff and discuss many of the topics and how they would fit into your own hotel's operations.

What should you discuss and plan for if an H1N1 pandemic wave appears in your area? How will this affect your business, employees, guests, suppliers, and public health first responders?

Here are some suggested topic areas to get you started:

- Make the assumption that absenteeism will increase by approximately 25 percent above normal. It could be as high as 40 percent, according to government health authorities. Lower levels of absenteeism will occur for a few weeks on either side of the flu's peak.
- Develop a method for determining when to send employees home, as well as procedures for handling the tasks normally done by workers who have become ill.
- In some communities, schools may dismiss students and childcare programs may close, particularly if the severity increases. Plan now to determine how you will operate if absenteeism spikes from those who stay home to care for ill family members, and from those who must stay home to watch their children if dismissed from school.
- Assume a wave of H1N1 cases will appear in the United States during September and October 2009. There may be other waves throughout the next several months, lasting about eight weeks in duration.
- Designate a pandemic coordinator for the property. A committee should be established and include the department heads from housekeeping, maintenance and engineering, security, food services, administration, front desk and bell services, and other appropriate individuals.
- Identify essential employees and supplies critical to maintaining business operations.
- Any plan must include accurate lists of key agencies that should be contacted if a guest or employee is suspected of having H1N1 flu, as well as contacts that can provide your business accurate and timely local information. A complete list of state public health contacts can be found at www.pandemicflu.gov.
- Train and educate employees to recognize symptoms among each other and guests, and provide definitive procedures for reporting suspected illness to management.
- Your vendors and their employees will also be suffering from the same flu as your employees. Their absentee rates may be the same as your employees. Because of this labor shortage, they may be unable to deliver food, clean linens, cleaning supplies, or undertake trash removal on a normal schedule.

Training

Hotel employees who face potential exposure should be trained on the hazards associated with H1N1 flu, including symptoms, and the hotel procedures to isolate and report cases in order to reduce exposure.

Sanitation and Hygiene

If a hotel is located in an area where H1N1 flu has been reported, the frequency of cleaning public surfaces in the hotel should be significantly increased. These include entrance/exit door handles, elevator buttons, public phones, computer keyboards, faucets, countertops, exercise equipment, and other commonly used surfaces. They should be decontaminated with soap and water or another approved sanitizer. Employees should be provided with surface sanitizers such as alcohol-based surface wipes that should be used to wipe workstation surfaces at the beginning of each shift.

Hands can transmit saliva or minute bodily fluids that may contain H1N1 viruses to the mouth, nose, or eyes. Hand washing is an important way to reduce the potential for the transmission of infectious diseases. Running water and non-abrasive hand soap should be used for at least 30 seconds when washing. It does not matter if the water is warm or cold, since it is the physical brushing of hands together combined with soap removes and kills the virus. It is important to dry hands after washing.

Hand washing should be done:

- Before and after removing gloves
- After contact with blood, body fluids, or other potentially infectious material or people
- After using the restroom
- After blowing or wiping your nose
- Before eating and preparing food

Employees should be reminded to not touch their own eyes, nose, and mouth until after they have washed their hands. Alcohol-based hand sanitizer may be used to sanitize hands, but should not be used as a substitute for hand washing.

To help encourage and promote good hygiene practices in the hospitality workplace, hand sanitizing products (bulk dispenser or individual packets) should be located within the break rooms and employee cafeteria settings. In addition, housekeeping service carts should be stocked with hand sanitizing products to place into rooms to encourage guests to use them. Employees should also practice good sneezing/coughing etiquette.

Health authorities have stated that people cannot catch influenza from hotel bedspreads or blankets. It is only transmitted through person-to-person contact.

Personal Protective Equipment (PPE)

The use of personal protective equipment (PPE) should be stressed during H1N1 exposure training. Approved PPE should be readily available at all times for anyone directly involved in hotel and room cleaning operations.

In case of a known guest infection, all designated employees entering the room should wear full PPE. This may include masks, disposable gloves, hair nets, aprons, etc.

Use of N95-level respirators or facemasks generally is not recommended for workers in non-healthcare occupational settings for general work activities. For specific work activities that involve contact with people who have H1N1, such as escorting a person with H1N1, interviewing a person with H1N1, providing assistance to an individual with H1N1, the following are recommended:

- Workers should try to maintain a distance of 6 feet or more from the person with H1N1.
- Workers should keep their interactions with ill persons as brief as possible
- The ill person should be asked to follow good cough etiquette and hand hygiene and to wear a facemask, if able, and if a facemask is available
- Workers at increased risk of severe illness from influenza infection should avoid people with ILI (possibly by temporary reassignment)
- Where workers cannot avoid close contact with persons with H1N1, some workers may choose to wear a facemask or N95 respirator on a voluntary basis.

The hotel should furnish PPE at no cost to its employees to encourage their use and disposal. As the PPE is issued, employees should be notified about what the PPE protects against and how it is to be cleaned and/or disposed of. The hotel should obtain this information from the manufacturer and follow their instructions.

Used, disposable PPEs such as covers, masks, and gloves should be treated as hazardous waste and placed inside red BIOHAZARD bags. Reusable PPEs (such as goggles) should be kept in a sealed bag after use and disinfected as per the manufacturer's instructions. Employees should first remove protective clothing (except for gloves) and discard them before removing a mask or goggles. Employees should inform their supervisor of any defective PPE, with the device immediately being replaced. This includes cracked, peeling, torn, punctured, or otherwise damaged PPE.

Employee Safety

The role of the Human Resources Department during a pandemic:

- Monitor employees for signs of illness. Those with symptoms of cough, nasal congestion, sneezing, and high fever should be directed to seek medical assistance. Set health standards for reporting and returning to work.
- Retain information on local clinics and medical facilities where employees and guests can see medical attention.
- Contact the local health department if a guest or employee has symptoms, and follow their recommendations, including protocol for dealing with a potentially infected individual.
- Postpone appointments for interviews and all training activities.
- Have a policy in place to handle sick employees who refuse to stay home when ill.
- Work with senior management to craft policies on absence and compensation for absence.
- Implement sick-leave policy. What other leave policies will be available and implemented (for example, an unpaid leave program for non-essential personnel and selectively for essential personnel, to accommodate those in isolation or whose absence is mandated by local health authorities)?
- Communicate work scheduling and possible temporary reduction in staff due to the impact of the pandemic on occupancy. Provide both Internet and telephone contacts on a 24/7 basis. Staff should understand that they should verify by phone or email before reporting for a work shift.
- Educate employees on ways to contain flu and stop virus spreading, including frequent hand washing, use of alcohol-based hand sanitizers, daily sanitization of public surface areas, use of disposable gloves, seasonal flu shot, etc.
- Post appropriate bulletins and posters with hygiene, safety, security, and other operational instructions and reminders for staff.
- Provide current updates to employees (and guests) from WHO (www.who.int) and the CDC (www.cdc.gov). The U.S. government's H1N1 flu site can also help (www.flu.gov).
- Maintain a current roster of all employees with home phone, cell, phone, email, or other contact data. This should be updated in instances where the employee may have moved the family to stay with relatives or friends in another geographic location. Retain in a preferred format and back up with an off-site reserve.
- Use all communication means to keep staff fully informed on status of the property, occupancy, any community data concerning the pandemic and its extent. Serve as source for any quarantine instructions or prohibitions mandated by local authorities.

Your human resources department should coordinate all training activities:

- Provide information on infection control, hygiene, and medical advisories pertaining to the pandemic.
- Train staff on identifying symptoms and the procedure for reporting suspected cases.
- Involve the appropriate department when providing instructions on food service, room service, housekeeping, and maintenance functions involving a room where the guest may be infected.
- Provide cross-training where it may become necessary, due to absences for remaining staff, to serve in multi-function assignments.

- If possible, involve medical and training support through medical or health department personnel from the community. This seems unlikely in the event of a pandemic, but might be considered as a proactive training function for "key personnel." Work closely with the staff of the clinic or medical facility providing medical services to your establishment. They should be the source for development of strategies and procedures in sanitizing, handling infected guests and staff.

What to do if an Employee is Sick

If an employee appears to exhibit symptoms of H1N1 flu, hotel management should be notified immediately.

Management is strongly encouraged to establish a very liberal sick leave policy for employees to use during a H1N1 outbreak, and notify employees that use of this liberal sick leave policy is encouraged by management.

The White House and the U.S. Centers for Disease Control have urged American businesses to tell sick employees to stay home if they are afflicted with H1N1 flu. Staying home allows an infected person to recover faster and return to work, and also stops the spread of the virus in the workplace. Employers who keep sick employees home will recover their lodging business operations faster than those employers who do not.

Human Resources should be contacted to evaluate sick-leave absence procedures for H1N1 flu.

Upon notification of a sick employee:
As with all other personal illnesses, relieve the employee of their duties and recommend that they contact or visit their personal physician or the local health department. Employees should make their physician or the health department aware of their symptoms and situation before they visit their doctor's office/health facility.

What Employees Should do if Sick, or Begin to Experience Symptoms While at Work

If you begin to exhibit symptoms of H1N1 flu:

- Ensure you are familiar with all H1N1 flu symptoms.
- Take precautionary measures, such as getting extra rest and drink more fluids so that you are stronger and healthier.
- Do NOT go to work! Avoid travel, if possible.
- Avoid crowded places.
- If you develop a fever above 101° F accompanied with cough and muscle pain, immediately inform your manager or supervisor before going to a doctor or health facility.
- Be aware and follow the recommended actions from your local physician or health provider.
- If you are quarantined by health authorities, inform your manager or supervisor.
- Compile a list of individuals you have been in contact with for the past 3 days and communicate this information via telephone or email to your manager or supervisor. You should make every effort to comply with all home quarantine requirements.

If a Guest is Sick

If a guest begins to exhibit symptoms of H1N1 flu, hotel management should be notified immediately. Upon notification, they should activate their H1N1 plan and implement within their own hotel's situation the appropriate measures below:

Reporting:

- Follow the hotel's procedures to notify ownership and management company.
- Contact the local health department. Make sure the supervisor speaks to someone in charge of H1N1 flu responses.
- Follow any recommendations from the local health department, including any actions to be taken for dealing with a potentially infected individual. Follow their advice as best you can.

Safety Precautions:

- Try to keep the ill guest separated from other guests as much as possible.
- Avoid rooms where sneezing and coughing is heard and allow an hour after the guest leaves before entering the room.
- Recommend that the ill guest contact their personal physician or the local health department. Have the local contact numbers readily available, as they may not know who to contact in an unfamiliar city.
- Do not attempt to transport the guest to a healthcare provider or any other location.
- Develop an isolation plan with assistance from your local health department. Be prepared to isolate a room or an area as instructed by the local health department.
- If an infected guest checks out, electronically key or double-lock the room and thoroughly clean the room by following the procedures under "Guest room decontamination".
- If the ill guest is transported off the property, but the room remains occupied by family or friends, recommend that the remaining guests contact their personal physician immediately, or your local health department. Room service or any other activity for that room should be discontinued and no employees should be allowed to enter the room until further notice. Inform the remaining guests that it is being done for the hotel employees' own safety.
- Record all the details that were undertaken by hotel staff and management for further action and follow-up.
- Evaluate and plan for any potential business interruptions.
- In some jurisdictions, innkeeper laws define "illness" as a reason for guest eviction. As a result, a hotel may evict a "contagiously ill" guest as long as the guest may be moved without aggravating the guest's personal condition, or the public health situation. Research to discover what your state's law defines as reasons for guest eviction based on illness.

Guest Room Decontamination

In the event that one of your guests or employees shows sign of H1N1 infection, you will also need a plan for cleaning and handling guest and public rooms, restaurants, and other areas in the hotel.

Hotel management should help ensure that all employees involved in the cleaning of a potentially infected room or area follow superior sanitation precautions and any best practices established for their housekeeping task. A review of the exposures and procedures to be taken should precede any actions, with additional training for any part-time or transferred employees.

The following are suggested basic procedures that should be reviewed as part of the response plan for hotel employees. A hotel should evaluate their own specific operation and circumstances to add to their own unique plan, where needed.

If a guest is admitted to the hospital and the guest's items remain in the room, the hotel can follow these procedures for handling abandoned property. The room should be cleaned after these procedures are followed, and the items handled appropriately for possible BIOHAZARD contamination. Personal Protection Equipment (PPE) such as disposable gloves or facemasks should be worn by the employee while performing this task.

Linen handling

Linens and bedding should not be sorted in the guest rooms. Before handling, employees should check the bedding and linens for sharp objects, blood, or bodily fluids before handling. The linen should be handled with protective gloves and placed into red plastic BIOHAZARD bags. If the linen is to be washed at the hotel, only trained employees should handle the contaminated laundry. Linen should be transferred directly from the plastic bag into the washing machine without contact. The BIOHAZARD bag should not be reused, but discarded as hazardous waste. Linens and bedding should be washed with an approved disinfectant. Any material that cannot be cleaned should be disposed of as hazardous waste.

Sharp objects

Employees should not touch or handle contaminated items, such as sharp objects left by the guest. Small medical items like hypodermic needles and syringes should be picked up with tongs and placed into a puncture-resistant plastic or metal container. These objects should never be placed in the trash, or in any container that isn't puncture-resistant. Waste should be collected and double-bagged for transport to a sealable container that can be locked with not in use.

Cleaning and disinfection of surfaces

A bleach and water solution can be used to decontaminate most of the surfaces and equipment found in the hotel. This is a safe method for decontamination because it doesn't expose the employees to harsh chemicals and the components are readily available and inexpensive. EPA-approved disinfectant products should be used as an alternative for sensitive surfaces such as carpeting where the use of bleach could damage the material.

Additional attention should be given to surfaces that have been directly touched by the guest, such as light switches, door knobs, toilets, television remote control, hand basins, telephones, desk surfaces, alarm clock, table surfaces, dresser or counter tops, etc.

If equipment used to clean the room becomes contaminated, labels should be attached to inform other employees or service people of the potential hazard. The label should state BIOHAZARD and be written in high-visibility orange or red. The equipment should be disinfected according to the manufacturer's instructions. The appropriate PPE should be worn and used by staff while cleaning and decontaminating equipment.

Food and Flu

Purchasing professionals and all food service functions in the property should be represented in the development of strategies for providing food service during a pandemic.

Despite its name, H1N1/swine influenza viruses are not spread by food. A person cannot get H1N1/swine influenza from eating pork or pork products. Eating properly handled and cooked pork products is safe.

Any influenza virus found on food surfaces is killed by cooking temperatures of 160° F / 70° C, corresponding to the general guidance for the preparation of pork and other meats.

Coordinate with the health authorities in the community to identify any restrictions or requirements that might be mandated during a flu pandemic emergency. There may be a need for some menu adjustments as certain products may be prohibited.

It will also be necessary to discuss quantity of perishable products as dairy and produce, which may be difficult to obtain, should the pandemic limit suppliers' delivery capacity. Consider alternative products (for example, powdered eggs and milk).

Consider developing a working and ongoing purchasing relationship with several suppliers. Having a single source could be disastrous in the event that source is incapacitated.

Communications with Guests and Employees

As information is almost as useful as disinfectant in a H1N1 flu environment, communication with guests, employees, the general public, public health officials, and management is vital and must not be overlooked in any plan.

- Assign one person in the hotel as the primary contact to handle all guest and/or corporate calls. Everyone in the hotel staff should know to forward all inquiries to this person.
- Do not release details of any affected guest.
- Be prepared to update your press release statement. A sample press release statement is found at the end of this booklet.
- Ensure that all employees are aware of the health concerns behind H1N1. Give the staff regular updates about the hotel and local situation. If there is an affected guest, keep the hotel employees informed about the situation and answer any rumors with facts.
- Obtain any current fact sheets or bulletins from your local health department. Consider requesting that the local health department visit the hotel and conduct a briefing for employees, followed by an open question-and-answer session.
- Be prepared to support any afflicted guest with family calls and information. Remember, good customer service in this kind of crisis situation is extremely important.
- A toll-free or dedicated emergency hotline (in appropriate languages) should be set up to keep employees informed about business operations during a local H1N1 flu outbreak. Employees should be encouraged to use the hotline or contact their manager or supervisor for updates and information.
- Stay connected to information resources. Learn about your state's pandemic plans. Become familiar with the many information resources available on the Internet and the government's central H1N1 flu Website, www.flu.gov.
- Check travel advisories frequently at www.cdc.gov/travel, watch news reports on television, check the many official news and information resources on the Internet, and listen to local and national radio. Stay informed—you will be the one employees turn to for accurate news and information about what to do.

Severe Pandemic Flu Planning

At present, H1N1 has shown itself to be a milder virus that originally feared when it first appeared in April 2009.

This variant of H1N1 has remained a relatively mild virus demonstrating the same symptoms since it was first discovered in April 2009. However, this virus has the potential to quickly turn into something much worse.

If this H1N1 strain mutates into something that has the potential to kill hundreds of thousands of Americans and severely sicken millions of others, than the following information and thoughts will prove invaluable in the safety of your employees—and yourself—and the operation of your hotel during this kind of severe crisis.

The plan you create BEFORE a severe crisis strikes will be the plan that you will use to guide yourself through its initial stages. Your own plan will change as this kind of grave situation unfolds. Again, the information below cannot serve as your plan, but it can help you with a number of very important topics to discuss and consider.

Topics to ponder include:

Your local public health officials. Determine the chief medical officer for the community, probably the director of the department of health. Be conversant with all aspects of their community-wide plan. Communicate with local and/or state public health agencies and/or emergency respondents about the assets and/or services your business could contribute to the community. Collaborate with federal, state, and local public health agencies and/or emergency responders to participate in their planning processes, share your pandemic plans, and understand their capabilities and plans. Collaborate with insurers, health plans, and major local healthcare facilities to share your pandemic plans and to understand their capabilities and plans. Also, be aware that according to official government plans to handle a major influenza pandemic, the situation may dictate that local, community-wide measures be enforced, such as suspension of public gatherings. This may affect events scheduled at your property such as meetings and conventions.

Communications. Establish an emergency communications plan and revise periodically. Have a roster of community organizations and several contact persons in each organization. Have a similar listing for key personnel at corporate headquarters or owner contact data for independent or management contracted properties. There must be an internal employee contact system and a communication link with the appropriate health and emergency response agencies for the community. The internal system should include cell phone, email, home phone number, and out-of-area contact data for all staff. Update on a continuing basis and maintain an off-site back-up. Designate a spokesperson to address all inquiries from the media and friends or families of sick guests. For every essential staff position, establish several layers of designated back-up contacts to step in, should the designated person become incapacitated.

Business operational levels. Management will have to determine at what level the hotel's standard guest operations should function during this kind of crisis. For example:

- *Phase One:* Limited operations with guest services. No event functions.
- *Phase Two:* Guest services with limited menu
- *Phase Three:* Close operations due to quarantine or impact of pandemic on staff and guests.

Determining applicable phases should be a management decision based upon careful analysis of potential options under pandemic conditions.

Vaccination. Determine availability and allocation of vaccine within your community. Who should be vaccinated? Should a roster of critical management, supervision and staff be established with the vaccine extended to their family members so they could reside at the property during a pandemic? If the vaccine proves to be effective, this would provide a stable work force for operation at a minimal service level. It would eliminate the need for commuting with less exposure and would relieve the initial concern for the condition of one's immediate family. Involve corporate counsel in the decision to dispense vaccines at your hotel to ensure liability issues are adequately addressed.

Training. Coordinate with senior management and human resources to create a policy on training in all aspects of pandemic flu preparedness and response. Develop the program in cooperation with the corporate medical services and appropriate support organizations within the community.

Information. Maintain up-to-date reliable information from public health organizations, including local authorities, CDC, and WHO. Involve legal counsel and the local authorities having jurisdiction for health matters, certifications and licensing within the jurisdiction.

Monitoring. Be prepared to conduct symptom and temperature checks for employees and guests.

Ad-hoc clinic. Under conditions of a pandemic, it is possible the hotel will become for all practical intentions and purposes a clinic. If guests are stricken and the local hospitals, clinics, and healthcare facilities are at and in many instances over-capacity, the guest cannot be put out on the street. The hotel has now become a healthcare facility without certification or license and without professional staff. Be sure this matter is resolved within your community.

Overwhelmed official response. Be aware that your local community response capability may not exist. YOU MAY BE ON YOUR OWN. Phone and Internet services may still be available but there may not be an on-premises response capability from public health and emergency agencies in the community. This could very well include your local fire and police agencies, who may be overwhelmed with requests, or their personnel suffering from the same malady.

Events. Be prepared to inform your customers immediately of any events that need to be cancelled. Provide secured access from off-site to reservation and contract events schedule. If feasible, have alternative reservations at another facility in the community under the same hotel flag. Notify the client of the change of location and confirmation to the alternative location. Where such an arrangement is not possible, have a pre-determined list of alternative sites available to the client in the community. It may happen there is no property available in which instance the employee from the secured offsite location will advise the client of the inability of the community to accommodate the reservation under any circumstance. Where it is possible to provide for accommodations at a competing facility, the off-site center would advise both the property and the client with appropriate reservation confirmation. All such transactions would be stored and secured both at the main frame and at a back-up site. That should be a site other than the location from which the employee is operating.

Contracts. Consideration should be given to adding a cancellation clause in the event of a flu pandemic for future contracts. Such an addition to the contract "boiler plate" should be reviewed with corporate counsel and senior management. It would be a logistic impossibility to effectively move a major event to a facility under your chain's flag, or to a competing facility in the community from an off-site employee location. It would be more logical to operate under the cancellation clause and the off-site employee would provide such notice in the instance of a pandemic flu scenario in your area. There would be little likelihood of the desire for an organization and/or its members to travel for such an event, if travel still is allowed by authorities.

Business operations. There are also a number of everyday business operations that management will have to address.

- Handle all function cancellations without penalty. Suspend guest penalties for failure to cancel within time limits.
- Identify those who will serve as basic staff for maintaining minimal operations.
- Will they and their family take up residence in the property during the pandemic?
- Are there staff who may be able to work from home? Identify tasks and contacts for implementation in an emergency.
- Determine the basic records and operating systems to be maintained. Who will be in charge? Are there to be off-site assignments? Where will back-up be established and maintained?
- What will the critical communication needs be? How are they to be implemented?
- Develop a compensation schedule. All staff should understand the alternatives when they are unable to work which may include sick leave, compensated time off, involuntary time off, and eligibility for workers compensation when operations are limited for a significant period of time.
- What staff should be moved to unpaid leave status? Who will notify and how? Phone, Internet, mail, etc.
- There will undoubtedly be a major insurance challenge under business interruption insurance policies as insurance companies will confront potential bankruptcy in meeting policy obligations over an extended period of

time. Under many such policies monies for key staff are included. Consider alternatives should the insurance fail to pay. What contingency plans and structures are feasible under such an income relief failure?

- Release interns, trainees, casual/contract, and temporary workers.
- Close under-utilized facilities (e.g., gift shop, business center, etc.)
- Consider reducing work week and shorten operational hours.

If the worst occurs and H1N1 turns into an extremely severe pandemic flu crisis

According to official government plans to handle a major and severe pandemic flu crisis, the situation may dictate that local, community-wide measures are enforced, such as suspension of public gatherings, which will affect events at your property. There also may be official travel restrictions that would result in substantial cancellations.

Some authorities also have suggested that in a severe pandemic crisis hotels may be used as quarantine sites. If that happens, outline steps you can take now to feed and house your employees and guests who are required by official order to stay at your hotel.

Isolation ward. Should an "isolation ward" be established to house employees and guests who are waiting for transportation to a medical facility and/or treatment? If so, be sure the ventilation and all air movement systems are not moving contaminated air into other parts of the establishment. Remember air moves through bathroom stacks as well as through plenums, risers, and other duct systems throughout a multi-story property. Equip with a bed or couch, first aid kit, face masks, and gloves and locate away from main activity areas.

Isolation ward staffing. If the isolation ward concept is instituted, who will serve those units? If there are a number of vaccinated staff from several departments, you might establish a premium pay arrangement and have those staff serve as an unofficial nursing staff. They will assume responsibility for laundry, food service, housekeeping, human waste removal, bedding and bed clothes changes, and coordination of medical services if such can be obtained under the emergency conditions.

Fatalities. In the event of a death, what is your responsibility for having the body removed to the morgue? If the morgue is unable to function, what do you do with the body? What role should be assumed in reporting to the family of an infected guest who is unable to communicate? What is to be done on notification of next of kin in the event of a death? This role is normally handled through the police. What is your responsibility if the police operations have been crippled within the community? How do you secure the personal effects, possibly including a motor vehicle? These are issues to be reviewed with corporate counsel and the local authority having jurisdiction.

Closure of property. Develop protocol for shutting down should it become no longer possible to operate or you must evacuate. How will systems be shut down permitting departure of the last person? Is there a published listing of turn-off points for energy and water sources? Depending upon outside temperatures, what minimal HVAC must be maintained? How will the property be secured? Have a plan for back-up of critical financial and other management records. Is there a plan for securing the property against looters?

Additional Resources

Unlike the last time there was a declared flu pandemic in 1968, hoteliers today are presented with a wealth of informational resources about H1N1 and pandemic flu via the Internet. The more your employees and you know about H1N1 and actions to prevent its spread, the better your property will be prepared.

First Resources

www.ahla.com/flu - AH&LA's H1N1 flu information Webpage. This page contains news updates, links to government information resources, industry-specific information, equipment resources, and more.

www.flu.gov – The U.S. government's one-stop Website for official information, links to further resources, travel information, and general information about the 2009 flu pandemic

www.cdc.gov/H1N1flu/ - The Centers for Disease Control's (CDC) H1N1 Website, listing current outbreaks, numbers of those infected, and prevention information.

Workplace Planning

www.pandemicflu.gov/professional/business/ - Businesses will play a key role in protecting employees' health and safety as well as limiting the negative impact to the economy and society. This U.S. government Webpage can help travel businesses plan for pandemic influenza.

www.osha.gov/Publications/influenza_pandemic.html - This online OSHA booklet, "Preparing Workplaces for an Influenza Pandemic," describes how to maintain business operations during a flu pandemic outbreak.

www.cdc.gov/flu/pandemic/pdf/businessChecklist.pdf - The "Business Pandemic Planning Checklist" produced by the CDC can help businesses when planning their operations during a flu pandemic

www.pandemicflu.gov/faq/workplace_questions/ - This government Webpage answers common questions about workplace policies and law when confronting pandemic flu in the workplace, such as leave policies, workplace rules, return to work, and other employment topics

Sample Guest Letter

This is a sample letter that hotels can use to communicate with guests in the event of a H1N1 outbreak in their local areas. This letter should be modified based on the events occurring in a specific area during the time of the outbreak.

Dear Valued Guest,

Welcome to [Hotel Name]. It is a pleasure to have you stay with us.

Guest safety is our top priority at [Hotel Name]. Because of the recent media reports concerning the local outbreak of H1N1 influenza, our hotel has immediately implemented a number of increased health and safety measures.

We strive to maintain high standards of food and environmental hygiene at our hotel. In addition to the high cleanliness standards already in place to combat the spread of H1N1 flu, we have taken additional precautionary measures: [Include all those that apply]

- Increased hand washing and sanitation efforts by staff members
- Providing more soap and hand-cleanser products for use by guests and employees
- Frequent sanitizing of publicly used surfaces in the hotel, such as countertops and doorknobs
- Rooms are thoroughly sanitized by staff after each guest has checked out
- Hotel employees who are exhibiting flu symptoms are sent home for rest and recovery
- Food products made of pork are thoroughly cooked
- Increased contact with local health authorities and are following their instructions about public health areas and how to contain infections

We are committed to complying with the stringent health standards recommended by local health authorities during this flu pandemic.

Should you have any questions or require more information during your stay with us, please do not hesitate to contact me at any time.

Thank you for choosing to stay with us.

Warmest regards,

[Name]
General Manager, Hotel

Sample Press Release

FOR IMMEDIATE RELEASE
Contact Name
Phone Number or Email Address

INFLUENZA IN [Hotel Name]

[Date] - The [Hotel Name] in [City, State] has taken a number of stringent precautionary measures to address H1N1 influenza concerns. As always, our top priority at [Hotel Name] is to help ensure the health, safety, and well-being of our hotel guests and employees. We strive to maintain the highest standards of sanitation and food hygiene at our property.

In addition to these standards, we have taken additional precautions to reduce the concerns that any of our guests may have regarding the presence of H1N1 flu virus in [Hotel Name].

The precautions that have been taken at [Hotel Name] include:

- Increased hand washing and sanitation efforts by staff members
- Providing more soap and hand-cleanser products for use by guests and employees
- Frequent sanitizing of publicly used surfaces in the hotel, such as countertops and doorknobs
- Rooms are thoroughly sanitized by staff after each guest has checked out
- Hotel employees who are exhibiting flu symptoms are sent home for rest and recovery
- Food products made of pork are thoroughly cooked
- Increased contact with local health authorities and are following their instructions about public health areas and how to contain infections

[Additional information about local H1N1 or hotel conditions.]

In the meantime, the staff at [Hotel Name] are monitoring the situation closely for any further developments. If there are any additional queries, please contact [Name] at [phone number or email address].

Sample Employee Communication

H1N1 Influenza

As you may have heard from news reports, H1N1 flu has been reported in our area. Based on the information we have gathered from local health authorities, there is no cause for undue concern at this time. The public health and medical authorities have been working with hospitals to protect the public from illness.

The local public health authorities are also relying upon you to help protect the traveling public. The most important tool you have to protect our guests is information. I urge each of you to become familiar with the facts about H1N1 flu and what are its symptoms. Not all flu-like aliments are H1N1 flu, since the symptoms resemble the same as ordinary seasonal flu.

Those suffering from H1N1 flu usually have the same symptoms as ordinary seasonal flu, such as fever, cough, muscle ache, runny nose, fatigue, and sore throat. At an early stage, it is difficult to tell which infection is responsible for an afflicted person's symptoms.

They include:

- Fever, usually higher than 101° F, and chills
- Sore throat
- Headache
- Body and muscle aches
- Dry cough
- Runny or stuffy nose
- Tiredness, fatigue, and weakness

A significant number of people who have been infected with this H1N1 flu virus also have reported diarrhea and vomiting.

Despite H1N1 flu's other name—swine flu—there is no evidence that it can be spread through the eating of processed poultry/pork products.

How to minimize your chances for contracting the disease

While there is no guarantee that doing the following will prevent you from getting H1N1 flu, these simple precautions will significantly reduce your chances of catching it.

- Above all: Use good hygiene to minimize the spread of the flu! Simple hand washing will go a long way to removing the virus from your own personal environment.
- Avoid direct and/or close contact with ill persons.
- Proper disposal of used tissues or other articles that have come in contact with your nose, throat, mouth, or eyes. These are the areas that allow the flu into your body.
- Room attendants should continue to use gloves to change used guest towels and empty trash cans
- Room attendants should continue to sanitize door knobs, TV remote controls, sink basin knobs, light switches, and countertops with the proper disinfectant
- Used towels and bed linen should be removed and washed each day
- Avoid rooms where you hear sneezing or coughing and allow an hour after the guest leaves before entering the room

If an issue or concern should arise at our hotel, employees should follow these steps to help protect the well-being of the affected guest, employees, patrons of the hotel—and themselves.

- Notify your supervisor or the general manager of any concerns.
- The general manager, or his/her designee, will be the point person and the only spokesperson to respond to media enquiries about H1N1 flu and the hotel's precautions against its spread.

- Follow the procedures given to you from your supervisor or management.
- Do not release the details of any potentially affected guest or employee.
- Be prepared to support the guest or employee with family calls and information. If the situations were reversed, you would want to be helped when you are ill.
- Follow all company procedures for reporting possible incidents about infected guests or employees.

Thank you for your kind cooperation with these procedures and requests.

[Name of General Manager]

Sample Employee Communication if Other Employees/Guests Have Contracted H1N1 Flu

H1N1 Influenza

As you may have heard from news reports, H1N1 flu has been reported in our area. Based on the information we have gathered from local health authorities, there is no cause for undue concern at this time. The public health and medical authorities have been working with hospitals to protect the public from illness.

In our own facility, there has been a reported case of H1N1 flu. We are reporting this to our employees so that they may monitor themselves for flu symptoms and take appropriate precautions.

The most important tool you have to protect yourself, your family, the other hotel employees, and our guests is information. I urge each of you to become familiar with the facts about H1N1 flu and what are its symptoms. Not all flu-like aliments are H1N1 flu, since the symptoms resemble the same as ordinary seasonal flu.

Those suffering from H1N1 flu usually have the same symptoms as ordinary seasonal flu, such as fever, cough, muscle ache, runny nose, fatigue, and sore throat. At an early stage, it is difficult to tell which infection is responsible for an afflicted person's symptoms.

They include:

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How to minimize your chances for contracting the disease

While there is no guarantee that doing the following will prevent you from getting H1N1 flu, these simple precautions will significantly reduce your chances of catching it.

- Above all: Use good hygiene to minimize the spread of the flu! Simple hand washing will go a long way to removing the virus from your own personal environment.
- Avoid direct and/or close contact with ill persons.

Sample Employee Communication if Other Employees/Guests Have Contracted H1N1 Flu

- Proper disposal of used tissues or other articles that have come in contact with your nose, throat, mouth, or eyes. These are the areas that allow the flu into your body.
- Room attendants should continue to use gloves to change used guest towels and empty trash cans
- Room attendants should continue to sanitize door knobs, TV remote controls, sink basin knobs, light switches, and countertops with the proper disinfectant
- Used towels and bed linen should be removed and washed each day
- Avoid rooms where you hear sneezing or coughing and allow an hour after the guest leaves before entering the room
- Follow the procedures given to you from your supervisor or management.
- Do not release the details of any potentially affected guest or employee.
- Be prepared to support the guest or employee with family calls and information. If the situations were reversed, you would want to be helped when you are ill.
- Follow all company procedures for reporting possible incidents about infected guests or employees.

Thank you for your kind cooperation with these procedures and requests.

[Name of General Manager]

Common Hotel Areas for Decontamination

These steps should be in any hotelier's plan of attack on influenza viruses.

- **Follow the instructions provided by your local health department**
- **Stock enough cleaning products for the size of your operation**
- **Provide your employees with the proper Personal Protection Equipment, such as disposable gloves**
- **Provide hand sanitizer products and tissues in the employee and public areas**
- **Monitor your employee's health, and emphasize cough etiquette**

These areas in a hotel should receive heightened sanitizing attention during this period. There will be other commonly touched surfaces in your hotel requiring attention, so make sure you add them to this list.

Guest Rooms

Door handles
Door security latches
Desks and chair handles
Dresser and table drawer handles
Table countertop surfaces
Telephone keys
TV remote control buttons
Toilet and faucet handles
Lights and temperature control switches
In-room information resources, such as menus
Room keys

Lobby, Public Areas and Restaurants

Door handles and stair railings
Push plates on swing doors
Elevator buttons
Tables and chairs
Menus
Public telephones
Counter surfaces at reception and concierge areas
Pens used for signing receipts
Computer keyboards and mouse
Ice machines
Beverage service items, such as coffee and tea pot handles
Exercise equipment in fitness rooms

Public Restrooms

Door handles and stair railings
Handles on stall doors
Toilet and faucet handles
Soap dispenser handles
Counter surfaces
Towel dispensing handles

Back of House Property

Door handles and stair railings
Push plates on swing doors
Telephone and computer keypads
Computer mouse
Food serving scoops and spoons
Beverage service handles
Refrigerator handles
Toilet and faucet handles
Soap dispenser handles
Towel dispensing handles
Cleaning equipment and tool handles
Bucket and trashcan handles

H1N1 Flu Concerns: Employee Questions-and-Answers

Based on information provided by the U.S. Centers for Disease Control (CDC)

Is this H1N1 (swine) flu virus contagious?

CDC has determined that this influenza A/H1N1 virus is contagious and is spreading from human to human. However, at this time, it not known how easily the virus spreads between people.

What are the signs and symptoms of H1N1 flu in people?

The symptoms of H1N1 flu in people are similar to the symptoms of regular human flu and include fever, cough, sore throat, body aches, headache, chills and fatigue. Some people have reported diarrhea and vomiting associated with H1N1 flu. In the past, severe illness (pneumonia and respiratory failure) and deaths have been reported with H1N1 flu infection in people. Like seasonal flu, H1N1 flu may cause a worsening of underlying chronic medical conditions.

How does H1N1 flu spread?

Spread of this influenza A (H1N1) virus is thought to be happening in the same way that seasonal flu spreads. Flu viruses are spread mainly from person to person through coughing or sneezing of people with influenza. Sometimes people may become infected by touching something with flu viruses on it and then touching their mouth or nose.

How can someone with the flu infect someone else?

Infected people may be able to infect others beginning 1 day before symptoms develop and up to 7 or more days after becoming sick. That means that you may be able to pass on the flu to someone else before you know you are sick, as well as while you are sick.

What should I do to keep from getting the flu?

First and most important: wash your hands. Try to stay in good general health. Get plenty of sleep, be physically active, manage your stress, drink plenty of fluids, and eat nutritious food. Try not touch surfaces that may be contaminated with the flu virus. Avoid close contact with people who are sick.

Are there medicines to treat H1N1 flu?

Yes. CDC recommends the use of oseltamivir or zanamivir for the treatment and/or prevention of infection with these H1N1 influenza viruses. Antiviral drugs are prescription medicines (pills, liquid or an inhaler) that fight against the flu by keeping flu viruses from reproducing in your body. If you get sick, antiviral drugs can make your illness milder and make you feel better faster. They may also prevent serious flu complications. For treatment, antiviral drugs work best if started soon after getting sick (within 2 days of symptoms). A H1N1 vaccine is projected to be ready by fall 2009, but it is a new vaccine that is still being tested.

How long can an infected person spread H1N1 flu to others?

People with H1N1 influenza virus infection should be considered potentially contagious as long as they are symptomatic and possible for up to 7 days following illness onset. Children, especially younger children, might potentially be contagious for longer periods.

What surfaces are most likely to be sources of contamination?

Germs can be spread when a person touches something that is contaminated with germs and then touches his or her eyes, nose, or mouth. Droplets from a cough or sneeze of an infected person move through the air. Germs can be spread when a person touches respiratory droplets from another person on a surface like a desk and then touches their own eyes, mouth or nose before washing their hands.

How long can viruses live outside the body?

Some viruses and bacteria can live 2 hours or longer on surfaces like cafeteria tables, doorknobs, and desks. Frequent hand washing will help you reduce the chance of getting contamination from these common surfaces.

What can I do to protect myself from getting sick?

In fall 2009, a H1N1 vaccine will be made available by public health authorities to Americans, initially according to

health risks and other public health criteria, such as doctors or firefighters. However, there are everyday actions that can help prevent the spread of germs that cause respiratory illnesses like H1N1 influenza.

Take these everyday steps to protect your own health:

- Cover your nose and mouth with a tissue when you cough or sneeze. Throw the tissue in the trash after you use it.
- Wash your hands often with soap and water, especially after you cough or sneeze. Alcohol-based hand cleaners are also effective.
- Avoid touching your eyes, nose or mouth. Germs spread this way.
- Try to avoid close contact with sick people.
- If you get sick with influenza, CDC recommends that you stay home from work or school and limit contact with others to keep from infecting them.

What is the best way to keep from spreading the virus through coughing or sneezing?

If you are sick, limit your contact with other people as much as possible. Do not go to work or school if ill. Cover your mouth and nose with a tissue when coughing or sneezing. It may prevent those around you from getting sick. Put your used tissue in the waste basket. Cover your cough or sneeze if you do not have a tissue. Then, clean your hands, and do so every time you cough or sneeze.

What is the best technique for washing my hands to avoid getting H1N1 flu?

Washing your hands often will help protect you from germs. Wash with soap and water. or clean with alcohol-based hand cleaner. It is recommended that when you wash your hands -- with soap and warm water -- that you wash for 15 to 20 seconds. When soap and water are not available, alcohol-based disposable hand wipes or gel sanitizers may be used. If using gel, rub your hands until the gel is dry. The gel doesn't need water to work; the alcohol in it kills the germs on your hands.

What should I do if I get sick?

If you live in areas where H1N1 influenza cases have been identified and become ill with influenza-like symptoms, including fever, body aches, runny nose, sore throat, nausea, or vomiting or diarrhea, you may want to contact their health care provider, particularly if you are worried about your symptoms. Your health care provider will determine whether influenza testing or treatment is needed.

If you are sick, you should stay home and avoid contact with other people as much as possible to keep from spreading your illness to others.

If you become ill and experience any of the following warning signs, seek emergency medical care.

In children, emergency warning signs that need urgent medical attention include:

- Fast breathing or trouble breathing
- Bluish skin color
- Not drinking enough fluids
- Not waking up or not interacting
- Being so irritable that the child does not want to be held
- Flu-like symptoms improve but then return with fever and worse cough
- Fever with a rash

In adults, emergency warning signs that need urgent medical attention include:

- Difficulty breathing or shortness of breath
- Pain or pressure in the chest or abdomen
- Sudden dizziness
- Confusion
- Severe or persistent vomiting

How serious is H1N1 flu infection?

Like seasonal flu, swine flu in humans can vary in severity from mild to severe. Between 2005 until January 2009, 12 human cases of H1N1 flu were detected in the U.S. with no deaths occurring. However, H1N1 flu infection can be serious. In September 1988, a previously healthy 32-year-old pregnant woman in Wisconsin was hospitalized for pneumonia after being infected with H1N1 flu and died 8 days later. A H1N1 flu outbreak in Fort Dix, New Jersey, occurred in 1976 that caused more than 200 cases with serious illness in several people and one death. And with the current 2009 H1N1 pandemic, over 500 people have died nationwide from H1N1 and its complications.

Can I get H1N1 influenza from eating or preparing pork?

No. H1N1, also known as swine influenza, viruses are not spread by food. You cannot get H1N1/swine influenza from eating pork or pork products. Eating properly handled and cooked pork products is safe.

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as a service by the American Hotel & Lodging Association

Washington, D.C.

AH&LA's H1N1 flu information is found at www.ahla.com/flu

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