

# HLB

HOOPER, LUNDY & BOOKMAN, PC

## Election 2020: Outcomes, Impact, and What Happens Next in Health Care

### MODERATED BY:

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# Agenda

- Welcome and Introduction
- Election Results
- Biden's 2021 Health Care Policy Priorities
- Congressional Outlook for Accomplishing Priorities
- Administration Outlook for Accomplishing Priorities

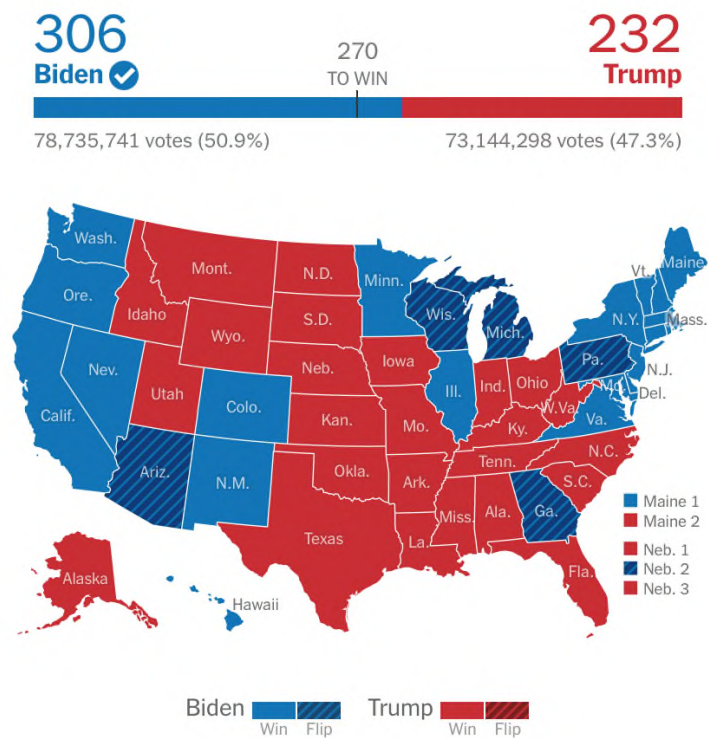


# Election Results

BIDEN WON DECISIVELY, BUT GOP DID QUITE WELL

**Alex Brill**

# Biden Won Decisively...



- President-elect Biden will capture 306 electoral votes; Trump, 232
  - 2016: Trump won 306 and Clinton won 232
- As of November 17, Biden leads Trump by 5.7 million votes
- Biden flipped 5 states: Arizona, Georgia, Michigan, Pennsylvania, and Wisconsin
- Highest turnout in a century – first 2 candidates to win 70+ million votes

## ...but Congressional GOP Did Quite Well (House)

### HOUSE REPUBLICANS GAINED SEATS

- Democrats won 221 seats, Republicans won 208, and 6 have yet to be called
  - Contrary to expectations, GOP has gained seats in the House
  - 6–8 House Democrats will be from Congressional districts won by President Trump and 6–8 Republicans will be from districts won by President-elect Biden
- House GOP candidates have won 72.1 million votes (48.1%); House Democrats, 75.4 million votes (50.4%)

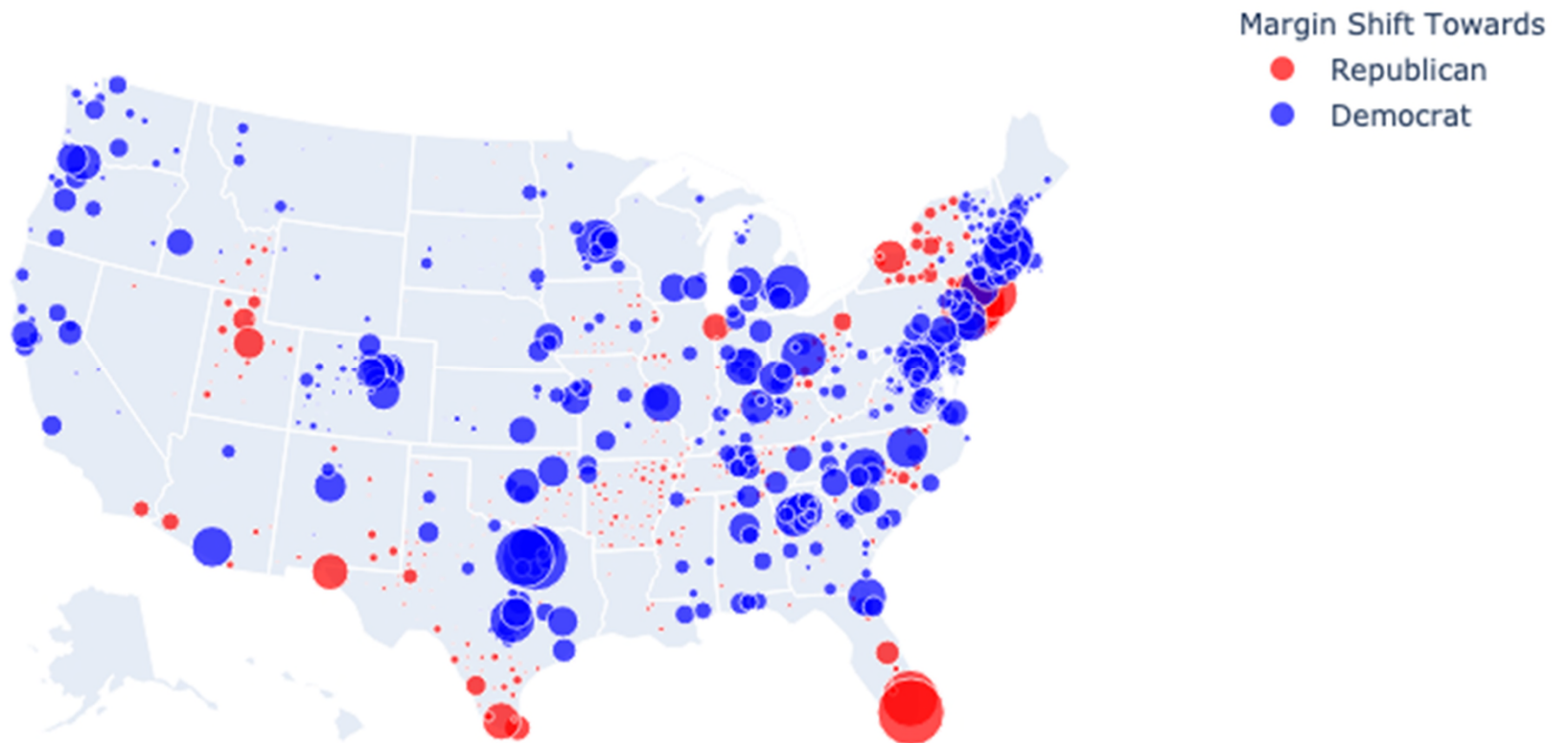
## ...but Congressional GOP Did Quite Well (Senate)

SENATE REPUBLICANS ARE HOLDING ON, AT LEAST 50 SEATS

- Senate Republicans will hold at least 50 seats; Senate Democrats, 48; and 2 races in Georgia are headed to a runoff on January 5, 2021
- Democrats flipped a seat in Arizona and Colorado; GOP flipped a seat in Alabama
- Republicans held on in Iowa, Maine, Montana, North Carolina, and South Carolina, where polls were all tight
- If Democrats win both Georgia seats, the Senate will split 50–50 and Vice President-elect Harris will break ties; otherwise Republicans will retain control

# +5% County-Level Vote Shifts for Both Democrats and GOP

340 COUNTIES SHIFTED TOWARD TRUMP AND 366 COUNTIES SHIFTED TOWARD BIDEN BY +5%



# Impact of Coronavirus Pandemic on the Election

PRELIMINARY COUNTY-LEVEL ANALYSIS SHOWS THE IMPACT OF COVID-19 ON VOTING

- Biden campaigned hard against Trump's handling of the pandemic
- Pre-election polling indicated that Democratic voters were more concerned about the pandemic than Republican voters
- With preliminary vote counts available for most of the 3,000 US counties and data available on COVID cases and deaths by county, I explore the impact of high COVID case rates on shifts toward or away from President Trump



## On Average, Hard Hit Counties Shifted Toward the GOP

TRUMP TENDED TO GAIN IN COUNTIES HIT HARDER BY THE PANDEMIC

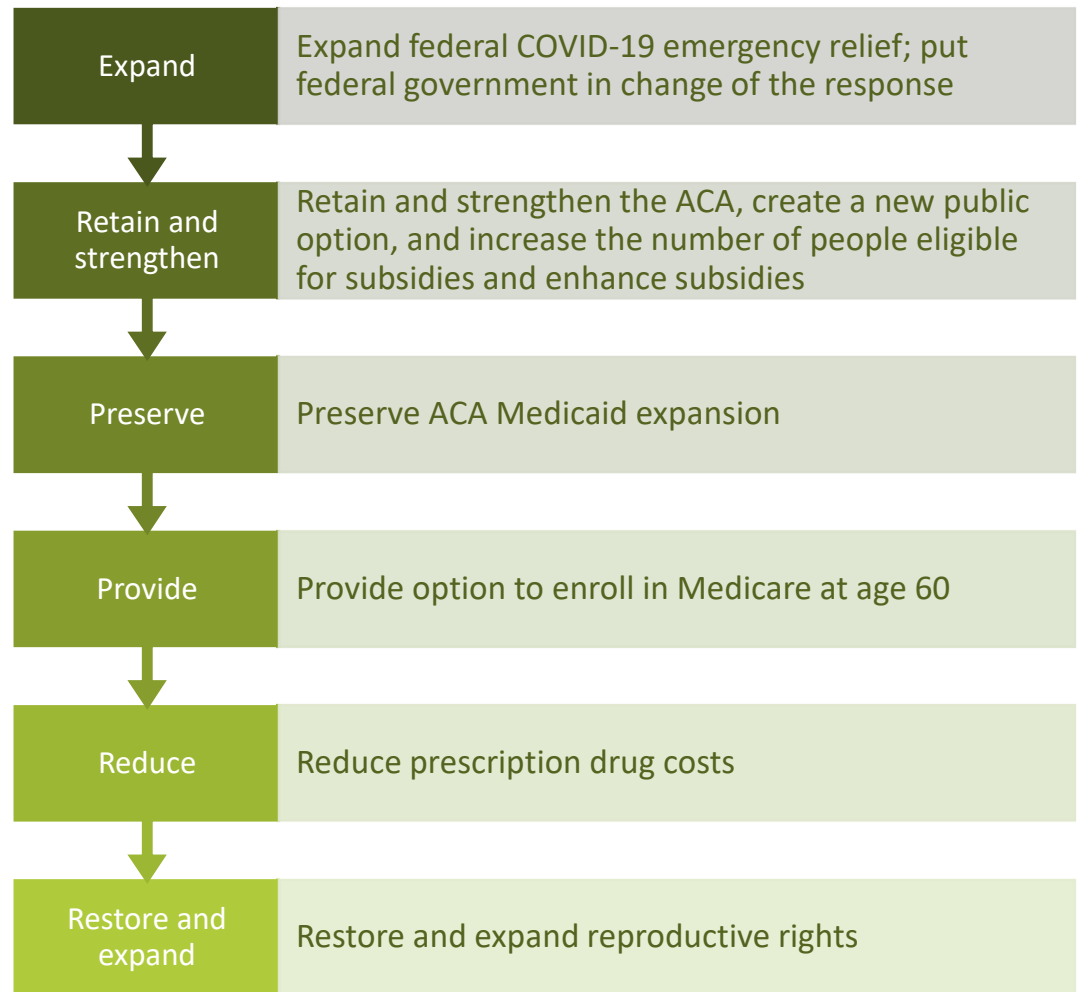
	Counties that shifted +5% toward...	
	Republican	Democratic
Unemployment rate (percentage point change)	6.0	3.0
Total employment (percentage change)	-9.0%	-5.4%
COVID-19 cases per 1,000 residents	43.4	32.3
COVID-19 deaths per 1,000 residents	1.6	0.5
# of counties	340	366



# **Biden's 2021 Health Care Policy Priorities**

**Kelly Delmore**

# Overview: Biden's Health Care Priorities





## Biden on COVID-19 Pandemic Response

- Reopen ACA enrollment for uninsured
- Re-embrace international engagement and reverse decision to defund/withdraw from World Health Organization (WHO)
- Give federal government primary responsibility for response
- Expand relief to eliminate out-of-pocket costs for treatment; increase Medicaid FMAP by at least 10%; provide additional pay and PPE to essential workers; further expand unemployment insurance and sick/family leave; reimburse employers for sick leave; and provide tax credit for COVID health care costs
- Cover COBRA with 100% premium subsidies during emergency
- Strengthen domestic supply chain

## Biden on ACA Marketplace

- Expand eligibility for financial assistance to include people with income over 400% FPL, people with employer coverage, and adults in non-expansion states who would otherwise be eligible for Medicaid
- Make premium tax credits more generous
- Reduce out-of-pocket cost sharing for marketplace enrollees by setting the benchmark plan at the gold level
- Restore funding for consumer outreach and assistance
- Create new public option

### Public Option is NOT Medicare-For-All

- Does not support Medicare-for-all
- Supports establishing new federal public health insurance option, like Medicare
  - Available to all people eligible for marketplace coverage, people with employer coverage, and people who would otherwise be eligible for Medicaid in non-expansion states
  - Premium tax credits and cost-sharing subsidies apply to public option
  - Cover ACA essential benefits
  - Plan negotiates prices with hospitals and providers
  - Does not replace employer coverage, marketplace, Medicare, or Medicaid

# Biden on Medicare

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- Lower age of Medicare eligibility to 60, with an option for people 60-64 to keep their coverage; financed separately from the current Medicare program
- Reduce drug prices under Medicare by giving the Secretary authority to negotiate drug prices with pharmaceutical companies
- Add vision, hearing, and dental benefits in financially sustainable manner to Medicare



# Biden on Medicaid..

- Retain ACA Medicaid expansion and other ACA Medicaid provisions
- Automatically enroll into the public option adults who would be eligible for Medicaid if their state had expanded under the ACA, with no premium and full Medicaid benefits
- Allow states that have expanded to move Medicaid expansion enrollees into the public option, with a maintenance-of-effort payment from the states
- Increase federal Medicaid funding for home and community based services
- Provide federal support for state Medicaid programs during economic crisis

## Biden on Rx Drug Costs

- Authorize the federal government to negotiate drug prices for Medicare and other purchasers (public and private), capped to a level associated with average OECD median prices
- Prohibit prices for all brand and some generic drugs from rising faster than inflation under Medicare and public option
- Limit launch prices for new specialty drugs for Medicare and public option; price would be based on recommendation of new independent review board, based on the average price in other countries (marketplace plans may use lower price)
- Cap out-of-pocket drug costs in Medicare Part D
- Allow importation of prescription drugs, subject to safeguards
- Eliminate tax break for pharmaceutical company advertising expenses
- No proposal to ban rebates in Medicare Part D





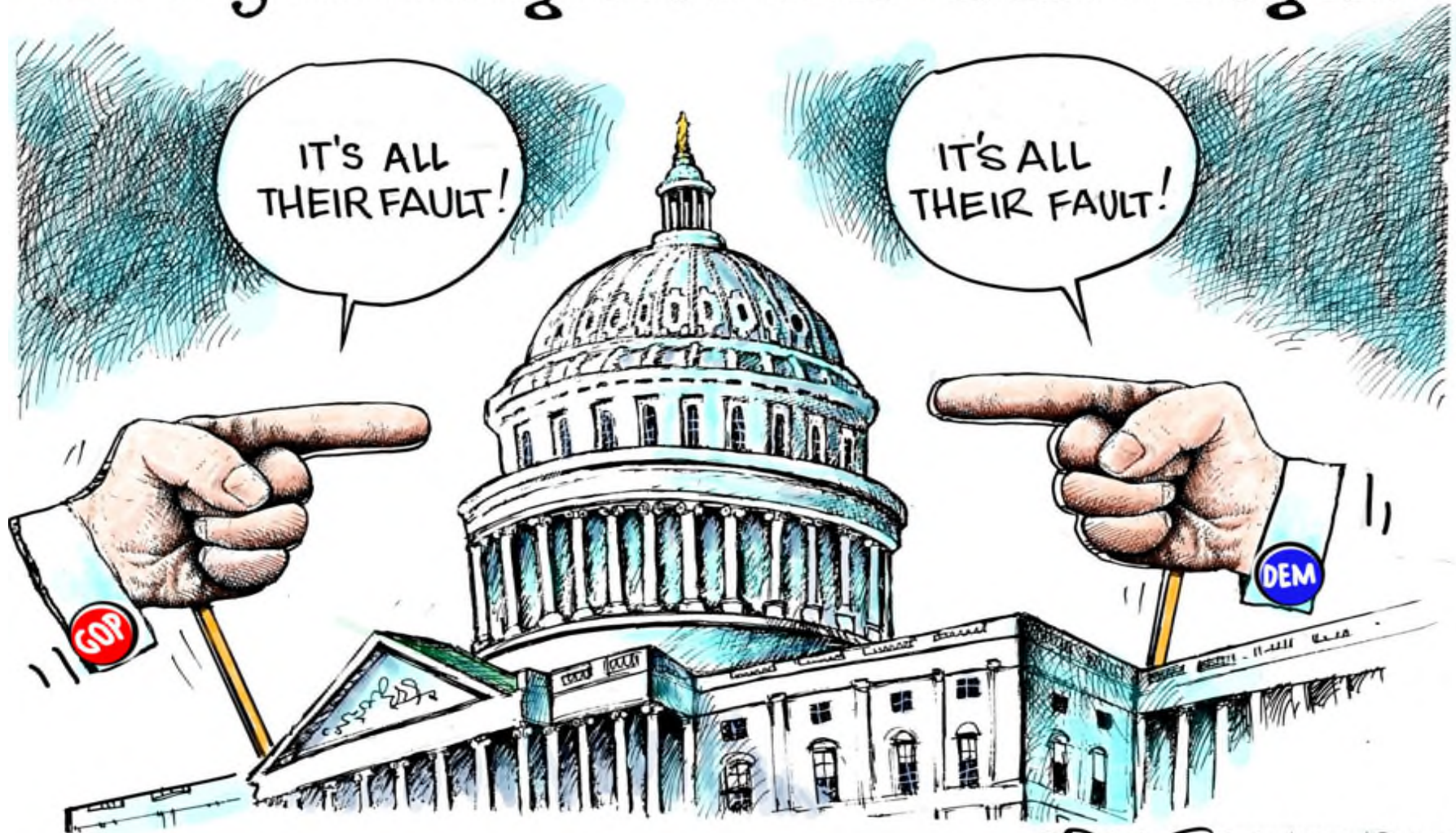
# Congressional Outlook for Accomplishing Priorities

Lisa Layman

# Lame Duck

- Government Funding - FY 2021
- Medicare, Medicaid & Public Health Extenders
- Moratorium on Medicare Sequestration
- National Defense Authorization Act
- Stimulus/Relief Package?

# The only time Congress bothers to lift a finger...



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# 117<sup>th</sup> Congress: Must Do

- COVID-19 Relief
  - Cabinet and Agency Nominations
  - Debt Ceiling
  - Rx and Device User Fee Reauthorizations (2022)
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## 117<sup>th</sup> Congress: May Do

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- Pre-existing condition and other ACA protections
- Incremental ACA subsidy expansions
- Surprise billing reform/price transparency
- Prescription drug pricing reform
- Medicare HI Trust Fund Solvency
- Quality Payment Program Incentives
- 21st Century Cures Act 2.0 (2022)
- Diagnostics reform (2022)

# 117<sup>th</sup> Congress: Won't Do

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- Single Payer/Medicare for All
- Public Option
- Medicare for <65
- Medicare Rx Price Negotiation
- New Medicare Part B Benefits
- Medicaid Restrictions
- Reinstatement of ACA Taxes (Cadillac, HIT, Medical Device)

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# **Administration Outlook to Accomplishing Priorities**

**Monica Massaro**

# Medicare

FOCUSED ON CONTINUATION & TWEAKING OF EXISTING POLICIES

- Fee-for-Service Payment Policies will likely stay on course
  - Forthcoming 2021 Final Rules
  - Making permanent PHE flexibilities
- Opportunities and Challenges for Telehealth
- Updates to Quality Payment Program and Alternative Payment Models
- Policy buzzwords aren't going away: price transparency, interoperability are here to stay in some form
- Use of Centers for Medicare and Medicaid Innovation (CMMI) to test policies
  - Rural Health
  - Drug Pricing



# Medicaid

BIG FOCUS, WITHOUT ABILITY FOR BROADER REFORMS

- Increase flexibilities and federal funds to encourage Medicaid expansion
- Simplified application & eligibility
- Withdraw and update Section 1115 Medicaid Waiver guidance
  - Revisit Work requirements, budget caps
  - What happens to existing waivers?
- Medicaid Managed Care Final Rule just released

# Affordable Care Act

## UNDOING OF TRUMP-ERA POLICIES

- Larger public option efforts unlikely from Congress
- Withdraw Trump Regulations
  - Non-traditional health plans: Association Health Plans, Short-term Limited Duration Plans
- Increase Enrollment
  - Special Enrollment Period, auto-enrollment options, focus and increased funding for Navigators and outreach
- Standardized benefit design
- Protection for pre-existing conditions in response to Texas v. California

# Prescription Costs

## SAME GOALS, DIFFERENT APPROACHES

- Addressing and/or withdrawing Trump Executive Orders
  - Eliminating drug rebates
  - Lowering costs for insulin and injectable Epinephrine
- International Price Index Model will likely be addressed
  - Will likely pullback, but politically will need to address alternative policies
- Biden interest in German drug pricing model
  - Independent group to review and project value of new drugs
  - Institute for Clinical and Economic Review (ICER) typically functions this way without authority over costs
- Drug Importation Final Rule
- Availability of Generics & Biosimilars
- Elimination of tax break for Direct or Consumer Marketing

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