



**Series - Analysis of Impact of 2020 Election Cycle on Health Care Sector
Democratic and Republican Conventions Issue Brief
8/19/20**

As we enter the final weeks of the 2020 election cycle, the Healthsperien team will begin offering its analysis of the potential impact of different political outcomes on health policy going into 2021 and beyond. We begin our election health care coverage with high-level remarks about the challenges ahead and candidate perspectives as the Democratic party (August 17th to 20th) and Republican party (August 24th to 27th) conventions are underway, with specific thoughts about what to look for. Conventions are opportunities for political parties to generate excitement about their agendas, critique their opposition, test out competing ideas to bring together factions within parties, and offer a vision for the future. We expect to offer more detailed perspectives in the coming weeks on the evolving candidate platforms and their agenda and ideas for health care policy.

Broad Issues in the Health Care Sector Animating Candidate Platforms and Positioning

Candidates of the major parties come to their conventions facing a complex health care environment, driven by COVID-19, longstanding tensions in health care policy, and a need to weigh in on the future of a sector that accounts for 20 percent of the economy. We anticipate that speakers at both conventions will touch on aspects of the following:

- **COVID-19 response.** The ongoing challenges raised by COVID-19 have a substantial and multi-faceted impact on the electoral landscape. Both campaigns will strive to define the narrative about progress to date in addressing it, perspectives on improving the response, and plans for providing treatments and distributing any approved vaccines to the population in an affordable, efficient, and equitable way.
- **Economic recovery and health coverage.** The magnitude of lockdown-related job losses has elevated discussions about access to health care coverage and existing benefits offered through ACA plans and Medicaid and the importance of employer-based coverage. Uncertainty about the timing and nature of the recovery makes this issue more relevant.
- **Future of the ACA.** Changes enacted in the ACA – particularly for the individual market and expanded Medicaid – have become an integral part of the health system. But even 10 years later, tensions over the role of government and state flexibility remain. Although efforts over the last several years by Republicans to substantially pull back on the ACA have not advanced, policy proposals to reform the ACA continue to evolve. Potential Supreme Court action over the effect of the repeal of the individual mandate (expected in 2021) could alter this landscape.
- **Costs of COVID-19 related care.** Approaches to address out-of-pocket costs related to diagnosis and care for COVID-19 have raised concerns about the U.S. approach to coverage and the role of private health plans. Private insurer decisions to waive or reduce co-pays and coinsurance and adopt benefits such as tele-behavioral health have countered criticism in this area, but the issues remain elevated heading into the election.

- **Costs of prescription drugs.** Bipartisan concerns about the growing costs of prescription drugs have had popular attention for several years, with policymakers trying to find solutions that balance innovation and access; discussions of treatments and vaccines for COVID-19 have kept the issue alive during the public health emergency, but recognition of the importance of the life sciences sector in addressing the pandemic will shape this discussion.
- **State of home care sector** – the COVID-19 pandemic has elevated concerns about the long-term care system, nursing facilities, home care options, and support for caregivers and how to finance and improve those services going forward.
- **Health disparities** – increased concerns about how the health system addresses the needs of low-income and racial and ethnic minority populations are influencing many conversations about ways to improve the health care system, including through payment and delivery models that emphasize social determinants of health (SDOH).
- **Health care spending** – while less of an important issue in recent years, questions about the sustainability of health care spending, the life of the Medicare Trust Fund and needs to support Medicaid programs and growing health care needs are re-emerging in public discussions.

Democratic Party Convention (August 17 – 20)

For the Democrats, the convention offers the opportunity to present the party’s rationale for an expanded role of government in health care and their vision for how those changes would affect the existing health care system and play out for Americans relative to proposals advanced by the Trump Administration. Over the last few months, a “Unity Task Force” effort in the Democratic party has sought to bring together perspectives and ideas of former Vice President Joe Biden and Senator Bernie Sanders, specifically making the case for expansion of health care coverage beyond the parameters of the Affordable Care Act (ACA). This effort has sought to balance longstanding progressive philosophies about adoption of a government-run model with center-left views supporting incremental reform of the employer-based system and an enhanced role for government. Highlights from the platform include:

- **Addition of a public option into the ACA individual market framework.** The primary session included calls by a range of candidates for Medicare-for-All (or single payer) and raised the profile of government-led solutions that include wider requirements for private health plans. The platform advocates for a broader government role in health care and highlights the need for a CMS-administered public option in the ACA designed individual insurance markets.
- **Expansion of Medicare to younger populations and other coverage strategies.** Earlier enrollment in Medicare (at 60) will also be an option advanced by the platform alongside expanded public coverage and subsidies for additional populations (including immigrants). The platform will further call for greater federal subsidies (COBRA, ACA plans), additional support for Medicaid expansions, and special enrollment periods (SEPs) to ensure coverage continuity for individuals losing coverage due to COVID-19-related lockdowns.
- **Support for long-term care services and supports and caregivers.** The Democratic platform supports enhancing resources to support older Americans and those with disabilities, primarily through increased support for long-term services and supports (LTSS) programs, caregivers, and community health workers and increased funding to states through Medicaid and other programs for enhanced provision of LTSS.
- **Lowering costs of prescription drugs.** The party will advocate stronger government actions to limit the cost of drugs.

Expansion of health care coverage will be a central topic at the convention, and we see the party using the COVID-19 crisis to enforce the vision for a greater government role in health care. Speakers likely will focus on the Republican's lack of a comprehensive health care plan and potential risks to the ACA from a Trump second term (including from a Supreme Court decision expected next year that could unwind pieces of the law).

We expect that progressive supporters for Medicare for All/single-payer solutions will have an opportunity to present their goals and philosophy at the convention, but the focus would be on a more centrist Democratic goal – a “public option” administered at the federal level (rather than by private plans) – will remain the central part of the platform. (During the development of the ACA, Congressional Democrats explored different versions of a public option, so to an extent it is considered by many to be “unfinished business.”) We will be looking at the proposed approaches for a public option (specifically related to how rates would be set and provisions for auto enrollment) as well as signs that Medicare-for-All may yet have life in it given progressive concerns in this area. While Senator Harris in the primaries advanced aggressive government solutions and expressed strong criticism of the role of private health plans, we expect her to moderate those views and align with Biden going forward, and will be looking for signals to support that direction.

We anticipate there will be criticism of the Trump Administration's response to COVID-19 using Democratic governors to present their views of the federal response, and attributing problems in testing and PPE to the Administration. Additionally, we see speakers highlighting the challenges of ensuring that testing, related medical costs, and a potential vaccine are covered without cost sharing (and that vaccines are efficiently distributed). Based on the interests of Healthspieren's clients, we are interested in the extent to which speakers and the candidates discuss issues such as improvements to the delivery system, value-based payment, price transparency and how best to balance access and innovation incentives in their efforts to rein in drug prices. Approaches to improve the delivery system advanced during the Obama Administration and continued by the Trump Administration received minimal attention during the Democratic primaries, but continue to have bipartisan support (e.g., Medicare's Quality Payment Program and advanced payment models). We are also interested in the extent to which the former Vice President uses his candidacy to advance efforts made during the Obama Administration to pursue a cancer “Moonshot” with research funding and strategy.

Republican Party Convention (August 24 – August 27)

We expect the Republican convention will be a venue for the President and party leaders to describe the elements of an evolving second-term health agenda. A formal plan is reputed to be in the works, and the convention may serve as a venue to pitch details of that effort, bringing together themes from the past year and several Executive Orders (EOs) related to lowering drug costs, ensuring transparency and affordability and supporting individual choice. We expect speakers at this convention to present Democratic policy prescriptions for health care as economically ruinous for the country and as a means of restricting individual liberties and access to popular employer-based coverage options, and will seek to exploit perceived divides between progressives and centrists in the Democratic party.

The President will use the convention to present the Administration's actions during the COVID-19 pandemic as successful and taking actions to ensure there are treatments and vaccines available to the public in the short-term (including use of FDA emergency use authorizations). We expect that the focus will be on the easing of burdensome regulations to encourage greater use of innovative services such as telemedicine and care in the home. Criticism of “blue-state” governors and strategies to lockdown

state economies likely will be a target of speakers and we expect that a focus will be on mortality in nursing home populations.

Criticism of the ACA has been a hallmark of the Administration from the outset, with early efforts failing to “repeal and replace” the law. Retreat from that legislative effort has led to administrative actions to influence implementation of the ACA and the continuation of longstanding efforts to improve payment models to improve health care delivery. We expect that President Trump and his surrogates will focus remarks on insurance reforms that offer a broader set of affordable choices to individuals seeking coverage in the individual market (including short-term limited duration plans), and more state flexibility to design solutions to insurance coverage issues, including through state Medicaid programs (such as work/community engagement requirements and block grants). Ensuring coverage of pre-existing conditions will be an important talking point to look for, and we expect that high-risk pools will re-emerge as a solution to challenges in ensuring broad coverage rates. Finally, support by the President for veteran-related issues likely will yield call outs for health care improvements for services provided by the Veterans Administration.

A recent spate of EOs present the Administration’s road map forward and include direction to administrative agencies to pursue more options in Medicare and Medicare Advantage plans to propel the movement toward value-based care, adoption of price transparency, and greater use of telemedicine. (More controversial EOs connected to prescription drug manufacturers and prices have faced scrutiny from a range of stakeholders.) We expect the convention will package the EOs as policy accomplishments and goals and will be looking to pursue administrative actions to implement those or – depending on Congressional race outcomes – pursue legislation in those areas. An important element we will be looking for – possibly released during the convention – is an EO related to ensuring coverage of pre-existing conditions (which are already protected under the ACA). Our view on that effort is that it offers Republicans an opportunity to assure voters that potential future changes to the ACA (given the Supreme Court case) will not lead to a loss of coverage due to pre-existing conditions.