

Presidential Health Care Platforms and Implications

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Presidential candidates release plans in which they detail the policy changes and priorities they would pursue if (re)elected. Generally, most election year positioning involves the discussion of relatively familiar policy ideas that are broadly outlined for the public on the campaign trail. This year's presidential race features an incumbent President who has been actively engaging on health care issues over the last few years, and a former Senator and Vice President with well-known and long-term health care priorities. Given their previous policy work around health care, both President Trump and former Vice President Biden have offered a range of new and familiar policy proposals outlining how their respective administrations would address health care issues over the next four years.

While both President Trump and former Vice President Biden have plans they will promote during the election campaign, it is always worth caveating that the potential success of their proposals is largely dependent on whether they will have public backing, a cooperative Congress or a significant legal ruling around the Affordable Care Act that could change the trajectory of the conversation.

President Donald J. Trump

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President Trump has not provided a significant amount of detail around his second term health care priorities, but he has released an [agenda](#) that provides some indication of where his focus will be if re-elected. Although the agenda lacks specific details, we have provided additional information on each agenda item based on the current and previous legislative and regulatory actions the administration has been pursuing during his first term. Additionally, the President does highlight his [first term achievements](#), which shed some light on policy approaches he may utilize to achieve his overall goals, including Affordable Care Act reforms, increasing generic drug competition and targeted reforms to reduce health care costs.

- **“Cut Prescription Drug Prices”**

- Lowering the price of prescription drugs has been a priority of the President since he was a candidate in 2016. His administration previously released a detailed [Blueprint](#) outlining a number of policies he planned to pursue to help lower drug prices and out-of-pocket costs. President Trump has since signed [several executive orders](#) (EOs) as a way to implement several of the Blueprint policies including how pharmacy benefit managers (PBMs) can utilize rebates, a [plan](#) to index drug prices to international benchmarks and [increasing drug importation](#) options. It is possible that some of these EOs may lead to further regulatory action in the immediate future, as has been demonstrated by recently finalized regulations allowing for greater prescription drug importation.

- **“Put Patients and Doctors Back in Charge of our Healthcare System”**

- In an effort to provide patients with more tools with which to make healthcare decisions, President Trump has taken significant steps towards increased pricing transparency in health care. [Regulations](#) requiring hospitals to make available expansive pricing details – including privately negotiated rates with insurers – are scheduled take effect in January 2021. It is likely that the administration will continue these efforts in a second term. Additionally, during his presidency, the Trump administration has also taken repeated steps to expand the number of services that can be performed outside of acute care hospitals and worked to equalize payments for services performed in either a hospital or physician's office (site-neutral payment policies). These [goals](#) are meant to allow patients and providers to have more control over the types of health care services they receive and where they receive them.

- **“Lower Healthcare Insurance Premiums”**
 - Throughout his first term, the President sought to take steps to reduce the cost of health insurance by expanding access to short-term, limited duration health plans, health sharing ministries and other more affordable insurance-like plans. If the President is re-elected to a second term, it is likely that those plans, and other similar options, may be continued and expanded.
- **“Cover All Pre-Existing Conditions”**
 - A common theme for President Trump in the White House and on the campaign has been to stress that he will protect patients with preexisting medical conditions. In late September, President Trump signed, “[An Executive Order on an America-First Healthcare Plan](#)” which declared it was the administration’s position that Americans with pre-existing conditions should be able to obtain the insurance of their choice at affordable rates. Though the EO did not offer further details on how that would be accomplished, it seems likely that if the Supreme Court ultimately strikes these protections as part of their next ruling on the ACA, the President would likely prioritize this issue in a second term.
- **“End Surprise Billing”**
 - President Trump has been vocally supportive of ending “surprise bills” where patients may receive unexpected bills after being treated by an out-of-network doctor at an in-network hospital, or at out-of-network hospital in an emergency. He has urged Congress to act on the issue on multiple occasions, including in the America-First Healthcare Plan Executive Order, which indicated that if Congress fails to reach an agreement, the administration will direct the HHS Secretary to issue regulations to prevent patients from being billed for out-of-pocket expenses that could not have been reasonably foreseen.
- **“Protect Social Security and Medicare”**
 - The President has made several public statements regarding his support for both the Social Security and Medicare programs, promising to not “cut” either. While the President’s campaign does not offer details on what it seeks to do to protect the Medicare and Social Security programs, it seems plausible the focus would be on shoring up finances in both programs.
- **“Protect Our Veterans and Provide World-Class Healthcare and Services”**
 - Throughout the course of his presidency, President Trump has supported efforts to modernize the VA health system and increase veteran’s access to health care services outside of the VA. He also signed legislation that would extend the Veterans Choice Program, which allows veterans to access care at private facilities. In a second term that support would likely continue.
- **“Protect the unborn life through every means available”**
 - Although included in the President’s agenda related to Defending American Values, the President continues his previous positioning related to his opposition to health care services affecting the “unborn”.
- **COVID 19 Response**
 - In a separate section of his second term agenda, the President highlights proposals to “Eradicate COVID-19”. These include several initiatives that are currently underway including developing a vaccine by the end of 2020, domestic manufacturing of critical medical and supplies for health care workers and bolstering the Strategic National Stockpile. The President also lays out his goal to “Return to Normal” in 2021.

Hospital Impact

President Trump is likely to pursue many of the same policy issues in his second term that he pursued in his first. This means hospitals would continue to face similar pressures over the next four years, including potentially more aggressive proposals to expand price transparency efforts, a greater focus on surprise billing reforms and continued efforts to expand site-neutral payment policies. Combined, expanded site-neutral payments and price transparency will add pressure for hospitals to compete for “shoppable services” and be able to better articulate what “cost” truly means and how it is determined.

Given the ongoing attention on drug pricing, the administration is likely to aggressively pursue components of their previously articulated policies. The overall hospital impact of these policies is unclear, although the administration has made progress during the president’s first term on increasing competition among generics and biosimilars, which should ultimately lower costs for patients and providers. While not directly mentioned in his second term agenda, the President and his administration have made damaging reimbursement cuts to 340B hospitals and are likely to continue to pursue efforts to reform that program. The makeup of Congress, and whether Democrats control the House, Senate or both will also largely shape the willingness to seek aggressive reforms to the 340B Program.

Much of President Trump’s health care agenda for a second term will likely be contingent on the results of the pending Supreme Court ruling on the legal challenge to the ACA. If the court upholds the law, the administration will continue its efforts to expand access to less-costly, less comprehensive health plans through administrative actions. If, however, the court rules that the law must be struck in its entirety, it seems likely the Trump administration would propose an ACA replacement plan focusing on reducing government involvement in health care coverage while seeking a revised approach to protecting individuals with pre-existing conditions. For hospitals, an adverse SCOTUS ruling would likely lead to dramatic reductions in those with insurance and greater uncompensated care costs, among other changes.

Finally, with the COVID-19 pandemic likely continuing into 2021 and the administration still determining how to address the current pandemic while also preparing for future catastrophic events, the President will continue to focus heavily on his administration’s response efforts. Providing a more secure supply chain, including supply redundancies and economic incentives to promote greater onshore or near-shore manufacturing, will be a top priority. Hospitals may benefit from a more resilient supply chain as the administration continues to bolster manufacturing and rebuild the Strategic National Stockpile. Finally, although the President has promised a vaccine by the end of 2020, much work still needs to be completed in order to better determine the distribution, access and cost.

Former Vice President Joe Biden

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Over the course of former Vice President Biden’s nearly 40-year Senate career, health care was not necessarily his primary policy focus area. However, during that period he supported many significant health care policies including the Children’s Health Insurance Program, the establishment of the Medicare Part D prescription drug benefit and countless others. As Vice President, he played a significant role in the development and implementation of the ACA, which he intends to build upon if elected President. The goals of Biden’s [health care platform](#) are to give Americans more choice, reduce costs and to make the health care system less complex.

- **“Give Every American Access to Affordable Health Insurance”**
 - Building upon the ACA, Biden’s goal is to provide more Americans access to less costly health care coverage. This includes creating a public health insurance option (“public

option”), that could negotiate lower prices from providers. Biden would also eliminate the 400% income threshold for eligibility for tax credits to purchase coverage through the ACA marketplace and lower the cap on the cost of coverage to 8.5% of income. His plan would also increase tax credits by tying them to the cost of a gold plan instead of a less comprehensive silver level plan. Finally, Biden’s plan would offer premium-free access to the public option for individuals who would be eligible for Medicaid in states that have not yet expanded the program. States that have already expanded Medicaid will have the choice of moving their expansion population to the premium-free public option, (as long as the states continue to pay their current share of the cost of covering those individuals).

- **“Provide the peace of mind of affordable, quality health care and a less complex health care system”**
 - Even for those with insurance coverage, Biden notes that the health care system is still too expensive and too complex. Through the previously mentioned public option and larger tax credits, Biden aims to create more affordable health care options for consumers, including lower premiums, deductibles and out-of-pocket spending. The Biden plan also seeks to address consolidation across various elements of the health care system by using existing antitrust authority to reduce this market concentration. Biden also hopes to put an end to surprise medical billing by preventing health care providers from charging patients out-of-network rates when the patient has no control over which provider they see. Finally, Biden hopes to partner with the health care workforce to test innovative solutions to improve the quality of care and to increase wages for low-wage health care workers.
- **“Stand up to abuse of power by prescription drug corporations”**
 - The Biden plan offers several proposals designed to slow the growth of prescription drug costs and prevent the “profiteering” of prescription drug companies. Maintaining long-standing Democratic policy positioning, the Biden Plan supports the ability for Medicare to negotiate drug prices with manufacturers. In addition, Biden’s platform would set a limit on “launch prices for drugs that face no competition” and would limit price increases for all brand, biotech, and “abusively priced” generic drugs to inflation as a condition for these drug companies’ participation in the public option and Medicare. Consistent with one of President Trump’s priorities, Biden would permit consumers to import prescription drugs from other countries, as long as the Department of Health and Human Services (HHS) has certified that those drugs are safe. In an effort to increase competition and lower costs, Biden also supports efforts to improve the supply of generic medications by addressing marketplace abuses designed to deter competition. Lastly, the Biden plan would end the tax deduction for all prescription drug ads.
- **“Ensure health care is a right for all, not a privilege for just a few”**
 - Biden takes an aggressive approach to the politically sensitive topics of contraception and abortion by expressing his support for 1) free contraception; 2) access to abortion services, including codifying *Roe v. Wade*; 3) restoring funding for Planned Parenthood and 4) permitting the federal government to support overseas organizations that offer information on abortion services. In addition, Biden seeks to reduce the high rate of maternal mortality and vows to provide health care protections for all people, regardless of gender, sexual orientation or gender identity. Finally, the Biden plan would double federal investments in Community Health Centers to support the ability to provide care to underserved populations and continue efforts to ensure the enforcement of mental health parity laws.
- **COVID-19 Response**
 - In a separate [section](#) of his campaign website, Biden details his plans on how to control the COVID-19 pandemic, vowing to “listen to science, ensure public health decisions are

informed by public health professionals [and] restore trust, transparency, common purpose, and accountability to our government". Biden's coronavirus response plan would seek to increase the United States' testing and tracing capacity, implement a nationwide mask mandate, and increase domestic production of personal protective equipment and other critical supplies.

Hospital Impact

Former Vice President Biden's health care approach will likely closely follow former President Obama's, as his plan is predicated upon preserving and building upon the ACA. In addition, he hopes to add a Medicare-like public option to both reduce costs and expand access to health care coverage. While this plan would likely increase the number of insured Americans and potentially reduce uncompensated care costs, other impacts of a public option could potentially reduce overall hospital reimbursements. Private insurers may not be able to compete with the rate setting capacity of a public health plan. At the same time, a growing share of patients would likely shift to a lower-cost public option, reducing the numbers of privately insured patients in hospitals' payer mix. This could lead to an influx of individuals covered by the public option which would likely reimburse hospitals at a much lower rate, potentially having a significant impact on overall hospital finances. That said, his proposals to offer more generous tax credits, combined with covering the Medicaid-eligible population in non-expansion states, may outweigh the concerns posed by a public option.

In another effort to support competition, Biden's focus on stopping excessive consolidation could impact the future of health systems' strategies. As providers look to better coordinate care for their patients and expand into underserved areas, they may face greater scrutiny regarding how those partnerships, mergers and acquisitions would affect pricing and patient care costs.

Biden's prescription drug proposals could have a mixed impact on providers. Biden proposes many policies to increase competition and hence lower costs, which could encourage medication adherence and reduce unnecessary hospitalizations and readmissions. At the same time, proposals that would limit launch prices and price growth could potentially eliminate incentives to invest in drug development as well as lead drug makers to pass costs onto others in the marketplace outside of Medicare and the public option.

Similar to President Trump, much of Biden's health care agenda will hinge on how the Supreme Court rules on the legal challenge to the ACA. If the Court upholds the law, Biden will pursue his stated health care agenda of preserving and building upon it. If they strike it down – in part or in its entirety – Biden will certainly pursue efforts to reinstate key provisions but much of his success will be determined on the make-up of Congress.

Finally, we can expect that a Biden-led HHS would likely continue aggressive approaches to payment and delivery system reforms including moving away from fee-for-service and towards quality-based reimbursements. This would likely include expanded use of targeted mandatory demonstrations and broadly implementing cost and outcomes-based delivery system reforms on a national level. While this has the potential to likely be true under either a Trump or a Biden administration, it seems probable that if elected, Biden may be more aggressive in pursuing those efforts and a significant, and growing amount of Medicare reimbursements will be linked to quality measures and outcomes.