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# Political Checkpoint

**2024**

# TODAY'S PRESENTERS



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# 2024 ELECTION: FRAMING THE MOMENT

# 2024 ELECTION: POST ELECTION QUICK TAKES

Former President Trump won a decisive victory on November 5<sup>th</sup>, elevating down-ballot races to deliver a likely Republican trifecta for the next two years.

**Latest Counts for Congress:**  
House **214-R**, **205-D**, 16 Not Called\*  
Senate **53-R**, **46-D**, 1 Not Called\*

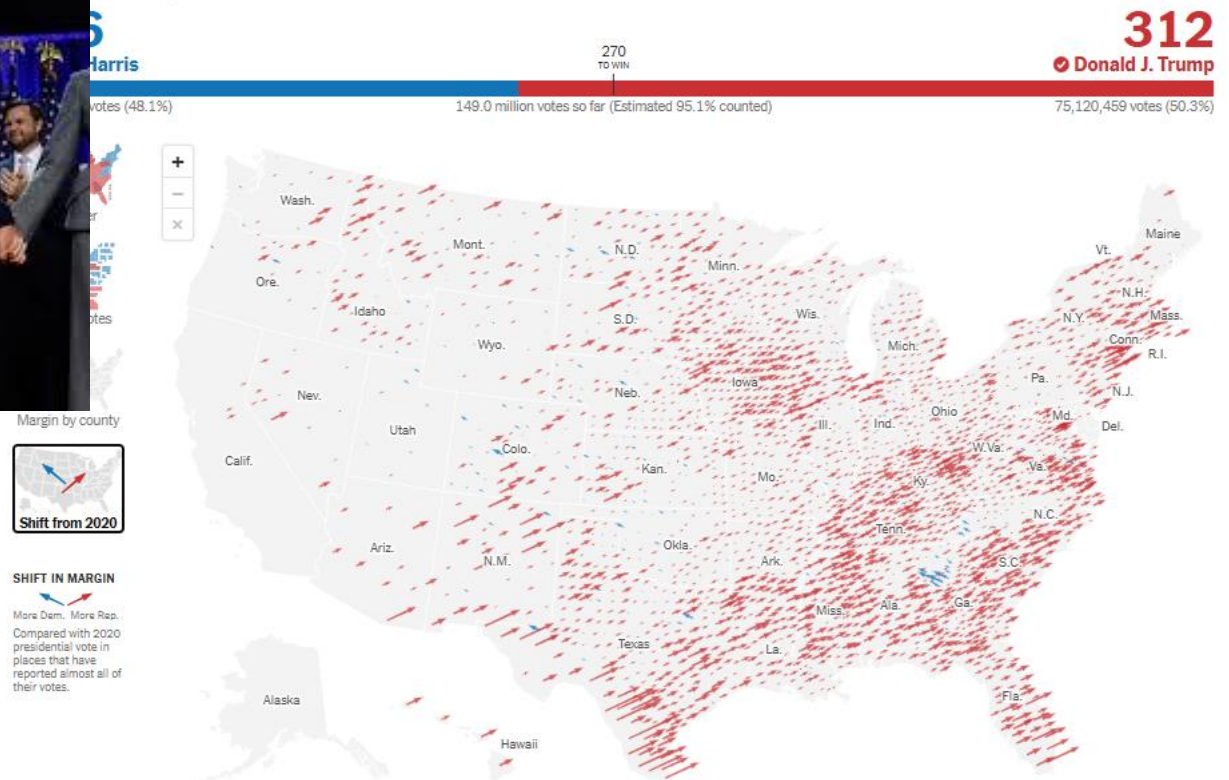


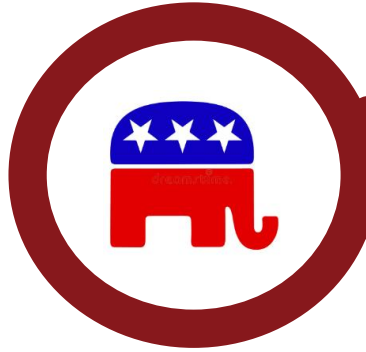
## Top Issues/Messaging

- Economy/inflation/prices/affordability
- Immigration/border security
- Crime/safety

## Healthcare Issues/Messaging

- RFK Jr/MAHA





## Full Republican Control Scenario

But... is **healthcare** a top priority among other policy priorities – homeland security, energy, macroeconomic policy?

-  **Healthcare Taxes**
-  **Marketplace**
-  **Medicare**
-  **Medicaid**
-  **Life Sciences**
-  **Public Health**

# 2024 UNFINISHED AGENDA

# BUT FIRST...2024 UNFINISHED BUSINESS

## Lame Duck Session in Congress

- Finalize fiscal year 2025 appropriations
- Medicare physician and provider reimbursement cuts scheduled to take effect Jan. 1, 2025
- Medicare flexibilities are expiring: telehealth, hospital at home initiative
- Medicaid DSH allotment reduction is planned for Jan. 1, 2025
- Community health center (CHC) reauthorization is due
- Possibly... PBM reform

## Biden Administration Actions

- Finalize pending rules, for example Medicare Advantage Policy Rule, housing, Administration for Children and Families (ACF), organ transplant policies, and others
- Approve pending demonstrations, including state Medicaid Section 1115 proposals
- Award pending discretionary grants
- Issue subregulatory guidance
- Publish reports, briefs, data, and other resources

**2025: DYNAMICS TO SET THE SCENE**



# BIG DEADLINES WILL DRIVE SIGNIFICANT LEGISLATIVE ACTIVITY



## To-Do Legislative Items in 2025

Raise the  
Debt  
Ceiling

FY26  
Funding

Expiring  
Individual  
Tax Cuts

Expiring  
ACA Tax  
Credits

Medicare  
Extenders

Health  
Care as  
“Pay-fors”

*Will drive the legislative action*

# HEADWINDS: CHALLENGES FACING GOP HEALTH CARE AGENDA

History would indicate Democrats could take back the House in 2026; the Senate map isn't favorable to Democrats, but it depends. But is healthcare a top priority among others?

## NEED FOR SPEED

Since 2000, 11 of the 13 elections have seen a change in party leadership in one or more bodies (POTUS, Senate, House). Need action before midterms.

## KEEPING EVERYONE IN THE TENT

Members who are up in 2026 will have increased power:

Republicans: Susan Collins (R-ME), Thom Tillis (R-NC), Joni Ernst (R-IA)

## FACTIONS MATTER

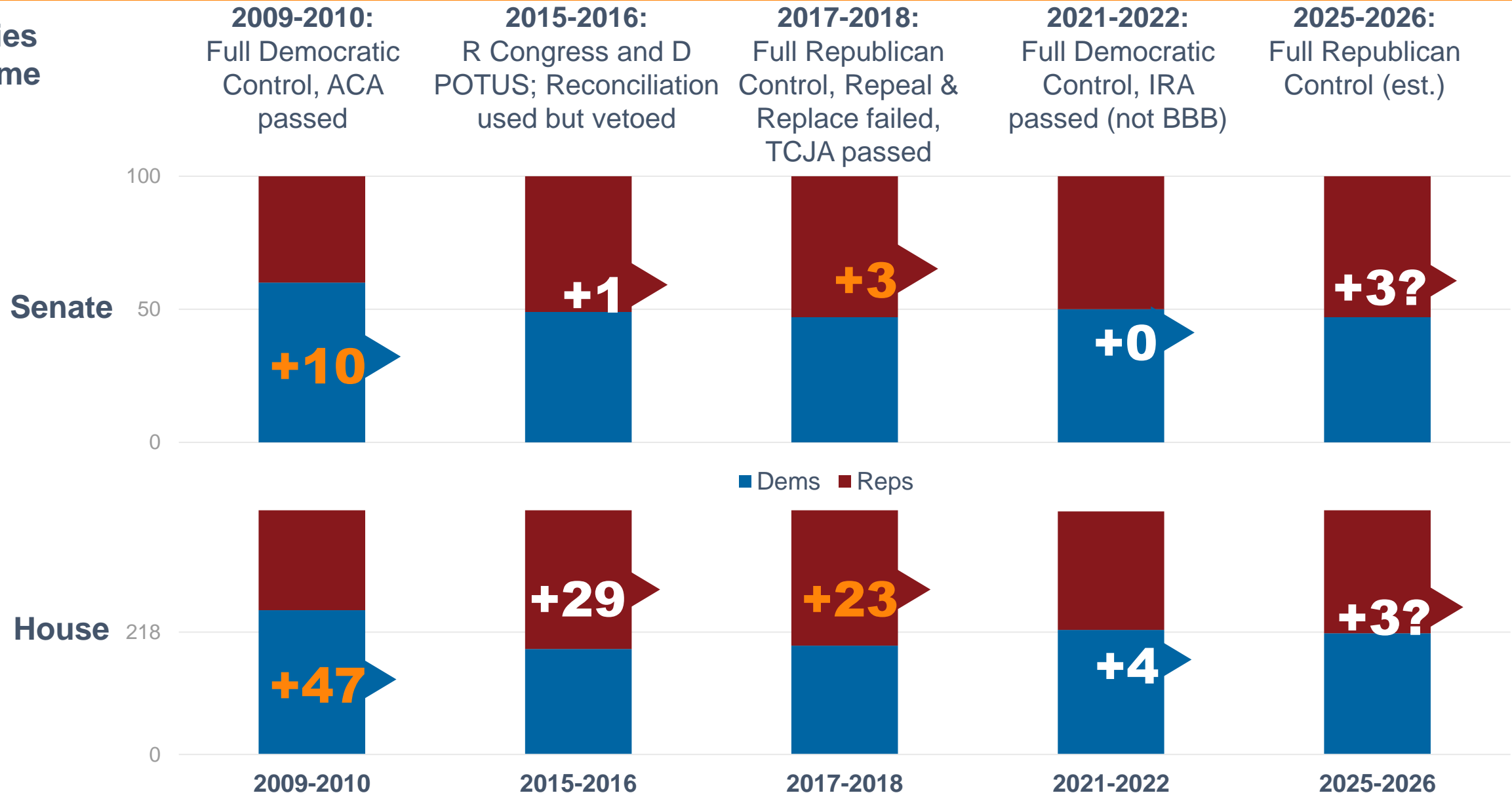
Unclear now which forces are dominant on committees and in caucuses

## FATIGUE

2017 wasted time with unsuccessful fights; 2020-2022 COVID dominated

# MARGINS MATTER, EVEN IN UNIFIED GOVERNMENT

## Majorities Over Time



# BUDGET RECONCILIATION: A POWERFUL, AND MISUNDERSTOOD, TOOL

With control of all three houses, Budget Reconciliation is likely to be used to quickly move tax policy that has significant healthcare impacts.



Is budget reconciliation in play?



What is/are the scope of reconciliation bill(s)?



What are the key hurdles to policies being included?



What priorities are off-the-table?

**Now is the time for evaluating reconciliation potential (this requires both expertise and creativity).**

# BUDGET RECONCILIATION: HOW MANY BITES AT THE APPLE?

In the 2025 calendar year, Congress could *technically* have up to six reconciliation bills if they pass both a FY2025 Budget Resolution and a FY2026 Budget Resolution.



*A FY2025 Joint Budget Resolution can be passed by Congress **at any point during the FY2025 Fiscal Year** (note Congress has not yet passed the FY2025 budget).*

*While separate spending and revenue reconciliation bills are allowed, in recent history Congress has combined the two into one “deficit reduction” reconciliation bill. Budget Reconciliation has been used four times, most recently in 1997, to **change the amount** of the debt limit.*

**“PERSONNEL IS POLICY”**

# WHO IS INFLUENCING THE PRESIDENT?

**Staffing decisions influence policy priorities and timeline. However, President Trump has others who will be influential to his strategy regardless of position.**

## Traditional WH Staff and Agency Leads



## Conservative Think Tanks



## Friends and Family

# THINK TANKS & FOUNDATIONS: POLICY, ANALYSIS, GRASSROOTS



Note: List is illustrative, not exhaustive.



# RFK JR AND THE "MAHA" AGENDA



**MAHA – "Make America Healthy Again" – is a varied coalition of wellness influencers and clinicians who have gone against the medical establishment**

## Drug related

- Reform user fees
- Review DTC pharma guidelines
- Level the playing field for Americans internationally on drug costs

## Food related

- Prohibit members of the USDA Dietary Guidelines Advisory Committee from making money from food or drug companies
- Restrict SNAP for soda or processed foods
- Reform crop subsidies

## Public health related

- Redirect NIH \$ to holistic, preventive, alternative approaches to health
- Change federal regulation so that NIH funds can't go to researchers with conflicts of interest
- CDC crackdown/purge

## Other

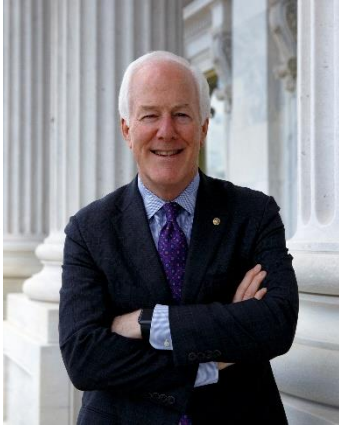
- Issue new presidential fitness standards
- Require medical schools to teach nutrition and functional medicine
- Give every American an HSA

# ISSUES BEFORE THE 119<sup>TH</sup> CONGRESS

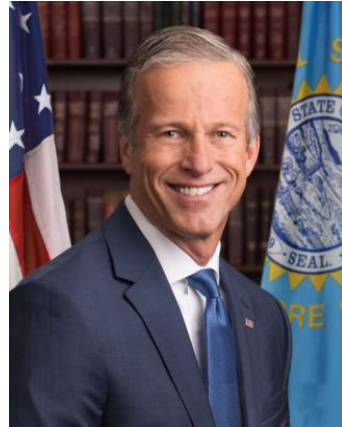
# REPUBLICAN LEADERSHIP IN THE 119<sup>TH</sup> CONGRESS

## Senate?

### GOP Leader



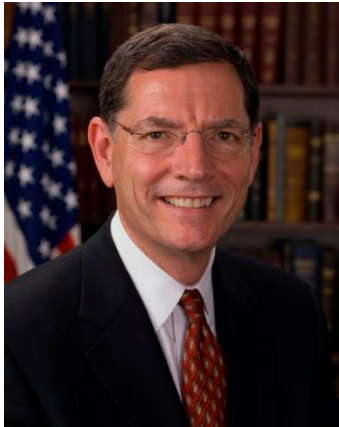
John Cornyn (TX)



John Thune (SD)



Rick Scott (FL)



John Barrasso (WY)

*NOTE: additional candidates for GOP leader and whip could be announced*

## House?

### Speaker?



Mike Johnson (LA)

### Team?

***TBD on leadership and committee chairs***

# HOUSE REPUBLICANS: INFLUENCE CLUSTERS

## Problem Solvers Caucus

Co-Chairs: Rep. Brian K. Fitzpatrick & Rep. Josh Gottheimer  
62 members; even Republican and Democrat split



## Republican Governance Group (Tuesday Group)

Chair: Fmr. Rep. Sue Kelly  
44 members



## Republican Main Street Caucus

Chair: Rep. Dusty Johnson | Vice Chair: Stephanie Bice  
70+ members



## Republican Study Committee

Chair: Kevin Hern  
178 members



## House Freedom Caucus

Chair: Rep. Andy Harris  
34 members



# HEALTHCARE POLICY IN 2025

# TIMELINE OF ACTIVITY

While the first 6 months will be highly partisan (reconciliation focus), there may then be opportunity to move bipartisan priorities (digital health, Medicare, mental health, public health).

## FIRST 100 DAYS ~Thru May 1

Inauguration Jan 20  
Priorities: Mostly spent on budget resolution.  
Drivers: Presidents' day, Easter recess

## FIRST SIX MONTHS ~Thru Aug 1

Bipartisanship not needed to accomplish many Republican priorities.  
Priorities: Reconciliation votes  
Driver: Memorial day recess (late May)

## AND THEN...

Bipartisanship more possible (but not guaranteed) – committee work, key priorities for 2026 races  
FY2027 funding

# HEALTH POLICY PRIORITIES: COMMERCIAL INSURANCE (1)

## Legacy Policy

- **Prior Policies:** Re-instate Trump policies on 1332 waivers, STLD Plans, AHPs, ICHRA, and other coverage issues.
- **“Must Pass”:** Expiration of enhanced ACA tax credits in 2025.
- **Tax Bill Ride Riders:** Additional changes to ACA tax credit, HSAs, and employer-sponsored coverage in tax bill.
- **Administrative Action:**
  - New Administration may pull back Biden Mental Health Parity regulation.
  - DOJ may change position in Braidwood Management v. Becerra, putting ACA preventive services mandate at risk.

## Key Considerations

- To what extent does adding health care provisions help or hurt Republicans seeking to pass their tax reconciliation bill?
- What can pass the Senate Byrd Rule?
- What issues do employers and health plans engage on?
- Obamacare Repeal and Replace Fatigue and Failures.

# HEALTH POLICY PRIORITIES: COMMERCIAL INSURANCE (2)

## Influencers

- Red State Insurance Commissioners and Governors
- Key Members of Congress (Collins, Murkowski)
- Conservative health policy and pro-life organizations.

## Headwinds

- The expiration of the ACA enhanced subsidies is a headwind against Republicans that want to hold off on addressing health care policies until after the tax bill is finished.
- Lack of GOP consensus on a full replacement policy for Obamacare may also slow down efforts to enact comprehensive changes, as does the Senate Byrd Rule, which makes it difficult to enact insurance –related policies in reconciliation.



# HEALTH POLICY PRIORITIES: MEDICARE AND MEDICARE ADVANTAGE

## Legacy Policy

- Prior policies: Transparency, interoperability, VBC, rural issues, Medicare Advantage flexibility + stable growth rate, Most Favored Nation, Rebate Rule
- At risk: IRA drug price negotiation

## Key Considerations

- CMS/Medicare appointees may have more leeway to drive their own agendas compared to other areas
- Political considerations: Risks of pursuing an aggressive Medicare reform agenda could hurt GOP mid-term prospects
- Fiscal impact: Statutory changes could come with costs (e.g. IRA, drug pricing)

## Influencers

- Trump I appointees
- Private sector innovators
- Think tank leaders

## Headwinds

- No immediate urgency to make disruptive changes to Medicare
- Trump officials and aligned think-tanks have promoted certain expansions to Medicare Advantage plans, but additional scrutiny of other policies also likely

# HEALTH POLICY PRIORITIES: MEDICAID

## Legacy Policy

- **Prior policies:** Guidance on SDOH, “Healthy Adult Opportunity”
- **Changing:** some 1115 policies (e.g., continuous eligibility); E&E rule
- **Monitoring:** Changes to financing? (MFAR, pass-through payments) Expansion?

## Key Considerations

- **Fiscal impact:** Policies encouraging increased federal match/spending
- **Transparency:** Understanding which providers receive what amount of funding
- **Program Integrity:** Cutting down on perceived waste, fraud, abuse

## Influencers

- **Paragon Institute:** Former Trump staffer Brian Blase, Gary Alexander, etc.
- **Budgeteers:** Politicos wanting to restrain federal spending can engage on Medicaid
- **Governors and Senators:** Top politicians for a state will engage in “Art of the Deal”

## Headwinds

- **Federal Medicaid money is popular:** pulling it back results in reductions to states, providers, and can have effects on coverage
- **Concern of 2017 redux:** Memory of the failed overhaul will keep stakeholders on edge

# HEALTH POLICY PRIORITIES: PUBLIC HEALTH & FDA

## Legacy Policy

- Right to Try
- Operation Warp Speed
- Public Health scrutiny
- COVID response
- Opioid & Substance Use Disorder Response

## Key Considerations

- CDC Director now a confirmed position
- Potential narrowing of CDC's scope, more decisions made at political level
- Does traditional regulatory independence for certain decisions stand?

## Influencers

- RFK Jr.
- Health officials from first Trump term
- Paragon Institute
- AFPI
- Key Hill Republicans from Health and Oversight Committees

## Headwinds

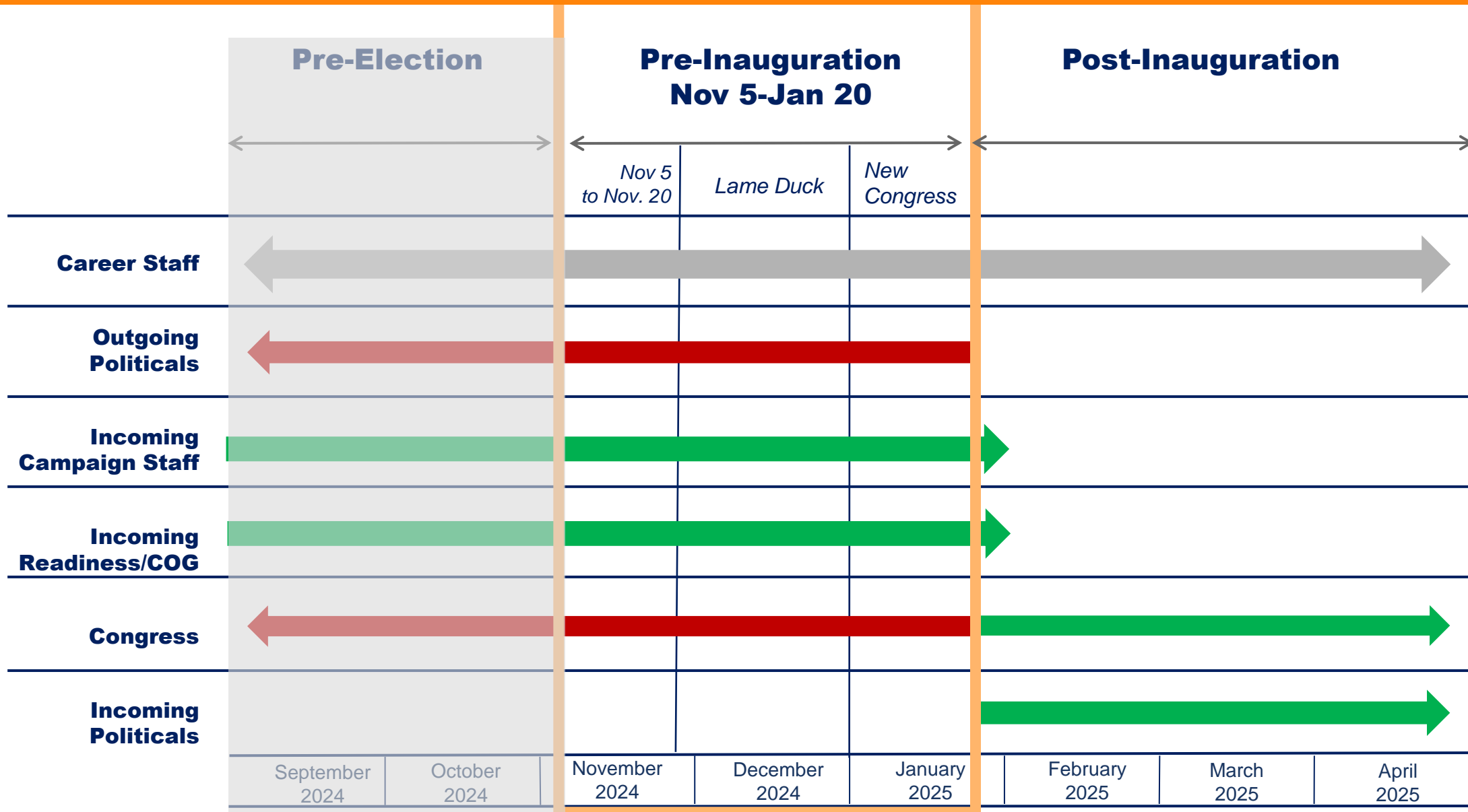
- “Make America Healthy Again” agenda will significant pushback

**The most productive and impactful time for a new Administration is often **the first 100 days.****

**This opportunity only happens **once every 4 years.****

**If you want to shape policy, **act now** to lay the groundwork for success in 2025.**

# THE FUTURE STARTS NOW



## TAKEAWAYS

1. **Congressional margins** may require compromises, even with wide berth to move policy quickly through budget reconciliation.
2. **Tax provisions & debt ceiling** will drive initial health activity in 2025; HSAs, changes to the taxation of employer-sponsored coverage, IRA and ACA tweaks could hitch a ride.
3. Every organization should be conducting a **SWOT analysis regarding key objectives** and how to advance them legislatively or regulatorily.
4. As reconciliation process winds down, **regular order and bipartisanship** will be needed to enact other health care priorities.
5. **Organizations can and should engage** the incoming Administration and Congressional leaders now.

QUESTIONS?

**Upcoming Additional HMA Webinars:**

**November 19:**

**Future of Medicare Advantage**

(LP and Wakely)



**November 20:**

**Electoral Consequences: ACA**

(HMA and Wakely)

