

Implications of the 2020 Elections

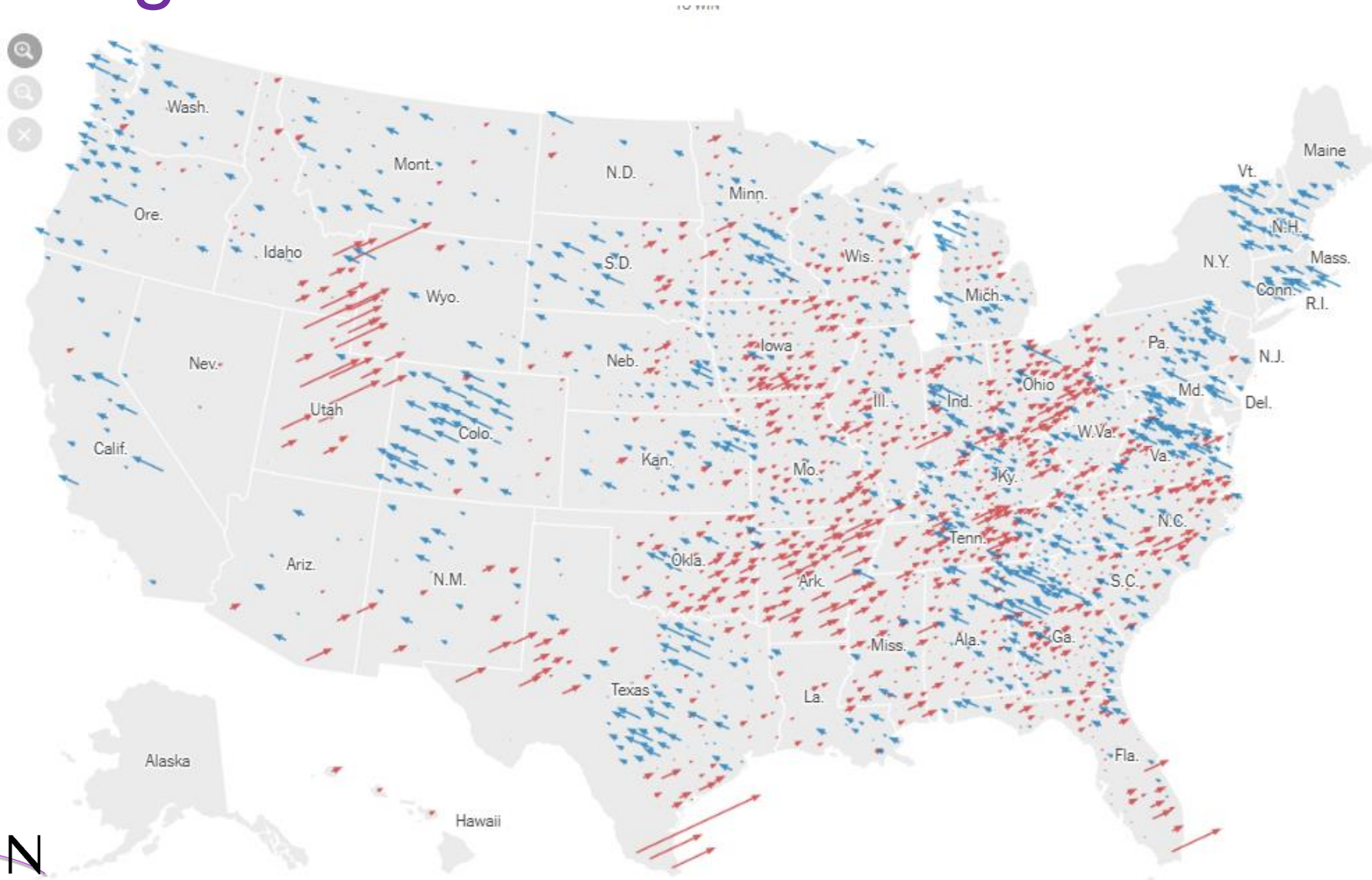
November 2020

HORIZON
GOVERNMENT AFFAIRS

Top line takeaways

- **High Turnout – 150 million votes.** In the end it came down to coronavirus versus the economy, turn out and likeability.
- **No Blue or Red Wave.** Biden won the White House, but Republicans favored to hold the Senate and expanded their seats in the House. Trump got 76 million votes. Biden got 80 million.
- **Divided Country, Divided Government.** Progressive big-ticket items likely on hold for now (Green New Deal, public option, etc.). More incrementalism is more likely.
- **Compromise?** Biden will need to balance multiple competing constituencies, especially on the left, and it will be messy. Biden will have to build coalitions and work with Republicans.
- **Executive Branch Supreme?** Most Trump moves will be undone by Biden regulatory regime. Opportunities for legislative deals will be smaller, more incremental. Biden agenda will be done by regulatory fiat, not legislative compromise.
- **Handling of Coronavirus Probably Hurt Trump. Will be Biden's number one agenda item.**

What changed from 2016?



Top Issues

- 1 Pandemic Response (state/local relief, medical and public health response)
- 2 Economy (Unemployment, stimulus, minimum wage, gig workers)
- 3 Strengthening ACA, public option
- 4 Addressing health care costs (drugs, hospitals, doctors)
- 5 Addressing Racism and Social Justice
- 6 Foreign Affairs (Europe, Iran, China, Russia)
- 7 Immigration Reform

Biden Next Steps

Change Regulations



Repeal Trump short term plan, AHP rules
Privacy (HIPAA) re-write
Drug pricing
ACA Coverage

Contracting Requirements



ACA Requirements on plans
COVID
Diversity Training

Demonstration and Pilot Programs



Medicaid waivers/expansion
Drug Pricing
Outcomes/Value based reimbursement
Maternal and equity issues

Funding

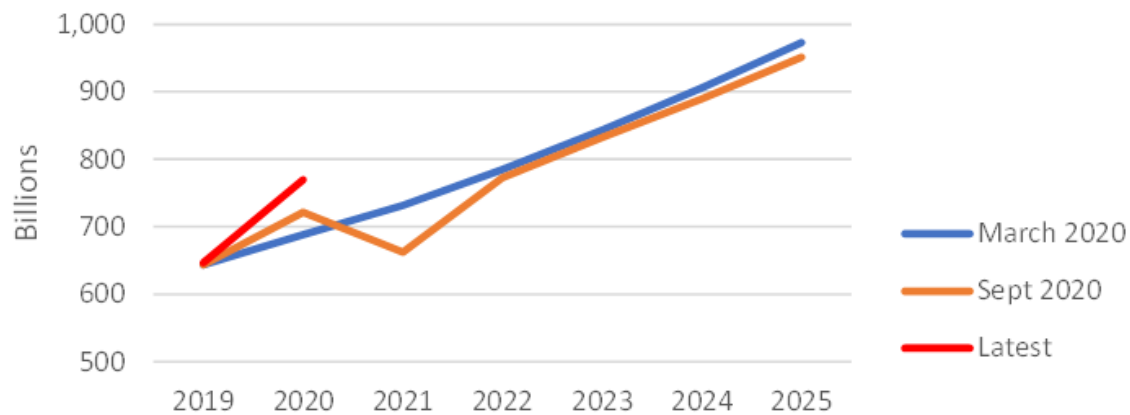


COVID
Contraception and family planning
Research

Action Items	Success?	Cause?	Mitigating Factors	Timeline
Pandemic Relief (medical and public health)	<i>High</i>	Bipartisan support	Vaccine announcement drives package smaller	Lame Duck to Q2
Economy (unemployment/stimulus)	<i>High</i>	Economic factors	Lower unemployment rate	Lame duck to Q2
Prescription Drug Pricing	<i>Medium</i>	Politically attractive	Divided Government, powerful industry	Possible provisions in lame duck. More in 2021
Expansion of Health Coverage	<i>Low</i>	Disagreement over how big, what and why	Supreme Court may throw individual market into chaos	June-December 2021
Budget deficit and debt	<i>High</i>	Will hit debt limit by late Spring/Early Summer	Extraordinary measures into Fall	End of Fiscal year (Sept).
FDA Reauthorization	<i>High</i>	Must pass – expiring fees defund FDA	None	September 2021
Appropriations Bills	<i>Medium</i>	Desire to return to regular order – bills done on time	Congress	September 2021
Big tech (Section 230, anti-trust, privacy)	<i>Medium</i>	Big industry, politically charged, goes to heart of free speech	Divided Congress	2021
Tax Reform	<i>Low</i>	Disagreement on direction, scope	Tax extenders in lame duck, pension issues in 2021	Before 2022

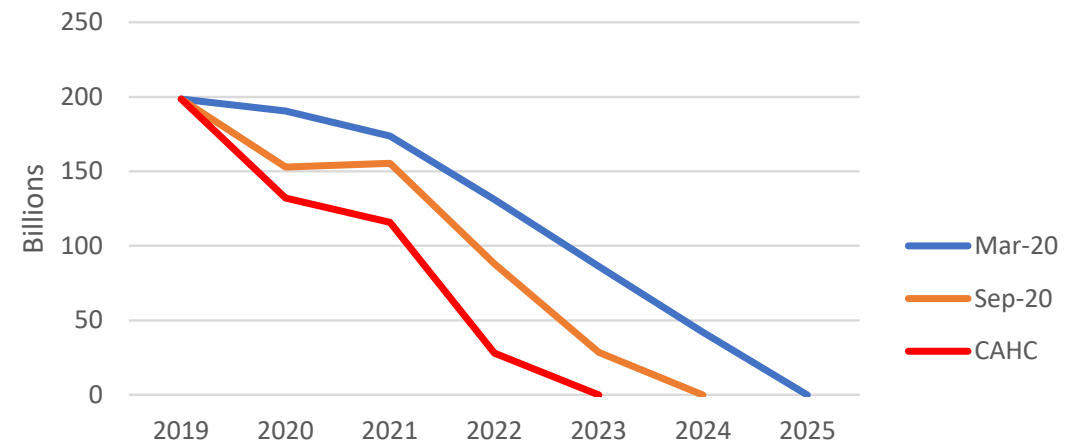
What about Medicare?

Medicare Spending Projections (net of premiums)



Sources: March and September 2020 FY projections from Congressional Budget Office; "Latest" 2020 Spending computed by CAHC based on monthly FY 2020 data from CBO.

Projected Medicare HI Trust Fund Balance (end of year), with CAHC Extrapolation



Sources: March and September 2020 FY projections from CBO; "CAHC" Projection extrapolated by CAHC based on the final FY Medicare outlays and using Sept 2020 CBO trends.

Postelection Partisan Legislative Control

Map is being updated as results are confirmed.



Preelection Partisan Control



Governor and Legislatures

All incumbent Governors won re-election. New Hampshire and Montana elected new Republican Governors. (27 Republican and 23 Democratic Gov.)

Only 10 States have divided government (Gov and/or one chamber of the legislature)
(KS, KY, LA, MA, MD, MI, MN, NC, VT, WI)

In 48 States, the legislature is controlled by 1 party.
(30 Republican, 18 Democratic, NE is nonpartisan and unicameral, AZ is not yet final)

Only 1 legislature is split (MN) with AZ yet to be determined but likely to stay Republican

Likely least state legislative change since 1928 (3 changes, NH House and Senate; Alaska House)

State issues: Emerging issues

- COVID – vaccine and health issues
- State budgets and falling revenue
- Drug pricing / Issues
- ACA issues
- Transparency and data sharing
- Pharmacy issues

JANUARY 2021

- **4-** 117th Congress Convenes (tent)
- **5-** Georgia runoff
- **6-** Joint Session of Congress to count Electoral College votes and certify results
- **20-** 59th Presidential Inauguration

Thank You



Members of Congress, federal and state officials and White House decision makers need to know your business, your issues, and your priorities.

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