

**HEALTH POLICY 101** 

# The Politics of Health Care and the 2024 Election

This is one chapter of KFF's Health Policy 101, a resource for students and educators of health policy. View its other chapters at the links below or at: <a href="https://kmealth-policy-101">kff.org/health-policy-101</a>

Medicare 101

Medicaid 101

The Affordable Care Act 101

**Employer-Sponsored Health Insurance 101** 

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The Politics of Health Care and the 2024 Election

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#### Introduction

Health policy and politics are inextricably linked. Policy is about what the government can do to shift the financing, delivery, and quality of health care, so who controls the government has the power to shape those policies.

Elections, therefore, always have consequences for the direction of health policy – who is the president and in control of the executive branch, which party has the majority in the House and the Senate with the ability to steer legislation, and who has control in state houses. When political power in Washington is divided, legislating on health care often comes to a standstill, though the president still has significant discretion over health policy through administrative actions. And, stalemates at the federal level often spur greater action by states.

Health care issues often, but not always, play a dominant role in political campaigns. Health care is a personal issue, so it often resonates with voters. The <u>affordability</u> of health care, in particular, is typically a top concern for voters, along with other pocketbook issues, And, at <u>17% of the economy</u>, health care has many industry stakeholders who seek influence through lobbying and campaign contributions. At the same time, individual policy issues are rarely decisive in elections.

# **Health Reform in Elections**

Health "reform" – a somewhat squishy term generally understood to mean proposals that significantly transform the financing, coverage, and delivery of health care – has a long history of playing a major role in elections.

Harry Truman campaigned on universal health insurance in 1948, but his plan went nowhere in the face of opposition from the American Medical Association and other groups. While falling short of universal coverage, the creation of Medicare and Medicaid in 1965 under Lyndon Johnson dramatically reduced the number of uninsured people. President Johnson signed the Medicare and Medicaid legislation at the Truman Library in Missouri, with Truman himself looking on.

Later, Bill Clinton campaigned on health reform in 1992, and proposed the sweeping Health Security Act in the first year of his presidency. That plan went down to defeat in Congress amidst opposition from nearly all segments of the health care industry, and the controversy over it has been cited by many as a factor in Democrats losing control of both the House and the Senate in the 1994 midterm elections.

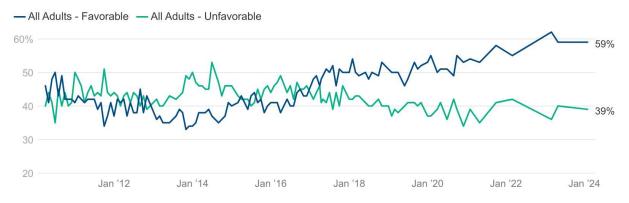
For many years after the defeat of the Clinton health plan, Democrats were hesitant to push major health reforms. Then, in the 2008 campaign, Barack Obama campaigned once again on health reform, and proposed a plan that eventually became the Affordable Care Act (ACA). The ACA ultimately passed Congress in 2010 with only Democratic votes, after many twists and turns in the legislative process. The major provisions of the ACA

were not slated to take effect until 2014, and opposition quickly galvanized against the requirement to have insurance or pay a tax penalty (the "individual mandate") and in response to criticism that the legislation contained so-called "death panels" (which it did not). Republicans took control of the House and gained a substantial number of seats in the Senate during the 2010 midterm elections, fueled partly by opposition to the ACA.

The ACA took full effect in 2014, with millions gaining coverage, but more people <u>viewed the law</u> unfavorably than favorably, and repeal became a rallying cry for Republicans in the 2016 campaign. Following the election of Donald Trump, there was a high profile effort to repeal the law, which was ultimately defeated following a public backlash. The ACA repeal debate was a good example of the trade-offs inherent in all health policies. Republicans sought to reduce federal spending and regulation, but the result would have been fewer people covered and weakened protections for people with pre-existing conditions. KFF polling showed that the ACA repeal effort led to increased public support for the law, which persists today.

Figure 1
KFF Health Tracking Poll: The Public's Views on the ACA

We asked: "Given what you know about the heatth reform law, do you have a generally favorable or generally unfavorable opinion of it?"



NOTE: Beginning in 2021, public opinion was measured using a combination of telephone and online surveys, this shift in methodology resulted in shifts in the share who either declined to answer the question or offered a "Don't know" response. As of March 2022, favorable and unfavorable shares were calculated using true nets instead of rounding to the nearest whole percent before netting "very" and "somewhat" responses. Numbers may not add to 100 the to rounding. July, 2015 data fielded in late June.

In the 2020 campaign, health reform was a major issue in the Democratic primaries, with a number of prominent candidates supporting a Medicare for All plan. Joe Biden's platform was centered instead on building upon the ACA.

### **Health Care and the 2024 Election**

The 2024 election presents the unusual occurrence of two candidates – current vice president Kamala Harris and former president Donald Trump – who have already served in the White House and have detailed records for

comparison, as <u>explained in this JAMA column</u>. With President Joe Biden dropping out of the campaign, Harris inherits the record of the current administration, but has also begun to lay out an agenda of her own.

# The Affordable Care Act (Obamacare)

While Trump failed as president to repeal the ACA, his administration did make significant changes to it, including repealing the individual mandate penalty, reducing federal <u>funding</u> for consumer assistance (navigators) by 84% and outreach by 90%, and expanding short-term insurance plans that can exclude coverage of preexisting conditions.

In a strange policy twist, the Trump administration ended payments to ACA insurers to compensate them for a requirement to provide reduced cost sharing for low-income patients, with Trump saying it would cause Obamacare to be "dead" and "gone." But, insurers responded by increasing premiums, which in turn increased federal premium subsidies and federal spending, likely strengthening the ACA.

In the 2024 campaign, Trump has <u>vowed</u> several times to try again to repeal and replace the ACA, though not necessarily using those words, saying instead he would create a plan with "much better health care."

Although the Trump administration never issued a detailed plan to replace the ACA, Trump's <u>budget</u> <u>proposals</u> as president included plans to convert the ACA into a block grant to states, cap federal funding for Medicaid, and allow states to relax the ACA's rules protecting people with preexisting conditions. Those plans, if enacted, would have reduced federal funding for health care by about \$1 trillion over a decade.

In contrast, the Biden-Harris administration has reinvigorated the ACA by restoring funding for consumer assistance and outreach and by increasing premium subsidies to make coverage more affordable, resulting in <u>record enrollment in ACA Marketplace plans</u> and historically low uninsured rates. The increased premium subsidies are currently slated to expire at the end of 2025, so the next president will be instrumental in determining whether they get extended. Harris has <u>vowed</u> to extend the subsidies, while Trump has been silent on the issue.

# **Abortion and Reproductive Health**

The health care issue most likely to figure prominently in the general election is abortion rights, with sharp contrasts between the presidential candidates and the potential to affect voter turnout. In all the states where voters have been asked to weigh in directly on abortion so far (California, Kansas, Kentucky, Michigan, Montana, Ohio, and Vermont), abortion rights have been <a href="mailto:upheld">upheld</a>.

Trump paved the way for the US Supreme Court to overturn *Roe v Wade* by appointing judges and justices opposed to abortion rights. Trump recently <u>said</u>, "for 54 years they were trying to get *Roe v Wade* terminated,

and I did it and I'm proud to have done it." During the current campaign, Trump has said that abortion policy should now be left to the states.

As president, Trump had also <u>cut off family planning funding</u> to Planned Parenthood and other clinics that provide or refer for abortion services, but this policy was <u>reversed</u> by the Biden-Harris administration.

Harris <u>supports</u> codifying into federal the abortion access protections in *Roe v Wade*.

# Addressing the High Price of Prescription Drugs and Health Care Services

Trump has often spotlighted the high price of prescription drugs, criticizing both the pharmaceutical industry and pharmacy benefit managers. Although he kept the issue of drug prices on the political agenda as president, in the end, his administration accomplished little to contain them.

The Trump administration created a <u>demonstration program</u>, capping monthly co-pays for insulin for some Medicare beneficiaries at \$35. Late in his presidency, his administration issued a <u>rule</u> to tie Medicare reimbursement of certain physician-administered drugs to the prices paid in other countries, but it was blocked by the courts and never implemented. The Trump administration also issued <u>regulations</u> paving the way for states to import lower-priced drugs from Canada. The Biden-Harris administration has followed through on that idea and recently approved Florida's plan to buy drugs from Canada, though <u>barriers</u> still remain to making it work in practice.

With Harris casting the tie-breaking vote in the Senate, President Biden signed the Inflation Reduction Act, farreaching legislation that requires the federal government to negotiate the prices of certain drugs in Medicare, which was previously banned. The law also guarantees a \$35 per month co-pay cap for insulin for all Medicare beneficiaries, and caps out-of-pocket retail drug costs for the first time in Medicare. Harris <u>supports</u> accelerating drug price negotiation to apply to more drugs, as well as extending the \$35 cap on insulin copays and the cap on out-of-pocket drug costs to everyone outside of Medicare.

How Trump would approach drug price negotiations if elected is unclear. Trump <u>supported</u> federal negotiation of drug prices during his 2016 campaign, but he did not pursue the idea as president and <u>opposed</u> a Democratic price negotiation plan. During the current campaign, Trump <u>said</u> he "will tell big pharma that we will only pay the best price they offer to foreign nations," claiming that he was the "only president in modern times who ever took on big pharma."

Beyond drug prices, the Trump administration issued regulations requiring hospitals and health insurers to be transparent about prices, a policy that is still in place and attracts bipartisan support.

#### **Future Outlook**

Ultimately, irrespective of the issues that get debated during the campaign, the outcome of the 2024 election – who controls the White House and Congress – will have significant implications for the future direction of health care, as is almost always the case.

However, even with changes in party control of the federal government, only incremental movement to the left or the right is the norm. Sweeping changes in health policy, such as the creation of Medicare and Medicaid or passage of the ACA, are rare in the U.S. political system. Similarly, Medicare for All, which would even more fundamentally transform the financing and coverage of health care, faces long odds, particularly in the current political environment. This is the case even though most of the public <u>favors</u> Medicare for All, though attitudes shift significantly after hearing messages about its potential impacts.

Importantly, it's politically difficult to take benefits away from people once they have them. That, and the fact that seniors are a strong voting bloc, has been why Social Security and Medicare have been considered political "third rails." The ACA and Medicaid do not have quite the same sacrosanct status, but they may be <u>close</u>.

#### Resources

- Election 2024 Resources
- Compare the Candidates on Health Care Policy
- The Role of Health Care in the New Presidential Election
- What Would Another Trump Presidency Mean for Health Care?
- The Implications of the Public's Preexisting Condition—Amnesia

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