

CAPITOL STREET

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Healthcare Takes Backseat in Harris v. Trump

Abortion, ACA, Drug Pricing Get Little Airtime in Wide-Ranging Debate

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Healthcare featured minimally in the first (and possibly only) Presidential debate between Vice President Kamala Harris and former President Donald Trump. Abortion, the ACA, and drug pricing got very little airtime, mainly at the end of the 90 minute exchange, and predictably took a backseat to topics such as the economy, immigration, and foreign policy. Both sides are likely to claim victory, yet neither candidate appeared to deliver a knock-out blow, in our view. If the election were today, the White House is a toss up with electoral votes remaining about even, but the GOP would likely take the Senate and Dems would narrowly take the House.

»» Key Points

The lack of focus on healthcare during the presidential debate follows our thesis that the topic has and will continue to be less of a prominent issue this cycle. While the moderators devoted a decent amount of time on the topic of abortion early in the debate, other healthcare topics such as the merits of Obamacare and drug price negotiation under the IRA were only briefly touched on before closing statements.

Trump has no ACA Replace plan. Trump sidestepped his Administration's efforts to 'Repeal and Replace' the law, and instead mentioned "concepts of a plan" that would "cost less money" and "provide better healthcare."

Harris also sidestepped her prior support for 'Medicare-for-All' and mentioned that she supports private insurance, and took a victory lap on actually allowing Medicare to negotiate drug prices. Finally, she touted the IRA and its provision allowing Medicare to negotiate drug prices, along with capping the cost of insulin and prescription drug co-pays. She noted that she intends for the insulin reforms to extend to all Americans, not simply those with government health coverage (Medicare, Medicaid).

Kamala supports and would expand the ACA. Earlier today, the Treasury Department released data ([link](#)) indicating ~50 million Americans have signed up for coverage under the ACA since 2014.

Healthcare is not a major election theme this time around, and have had a policy-light campaign (overall). Economy, foreign affairs, immigration are higher priorities for both sides. There is bipartisan support

for telehealth and price transparency. Drug price reforms (IRA) likely remain (and tweaked) under both Trump and Harris. The ACA is here to stay.

CANDIDATES ON HEALTHCARE

In a light policy environment for Presidential candidates, Kamala Harris continues to highlight Biden wins, focusing on issues like medical debt relief ([here](#)). These include IRA, capping the cost of insulin at \$35 and capping OOP expenses for prescription drugs at \$2,000 for all Americans, accelerating Medicare price negotiations over prescription drugs, advancing women's health and the FTC's crack down on the health sector (drug patents, PBMs) to increase competition and transparency.

- **We believe Harris supports the ACA wholeheartedly and would extend ACA subsidies at the end of 2025.** As a reminder, extended subsidies expire Dec. 31, 2025 and line up with *Tax Cuts & Jobs Act* expiration. A permanent extension is not likely due to costs, CBO estimates that permanently extending ACA subsidies would increase the deficit by \$335 B over 10 years ([here](#)).
- **Medicare Advantage (MA) scrutiny would likely continue but we do not believe that Democrats want to decimate the program.** Rather they want to realign incentives (v28) and level set given the spending explosion, somewhat out-of-hand broker/marketing/prior auth abuses.
- **Harris supports the Inflation Reduction Act (IRA).** She supports extending the penalties for drug makers raising prices faster than inflation, including to the commercial market ([here](#)). This is unlikely to pass Congress, but her push for commercial reform aligns with more aggressive drug reform. She wants *more* drugs negotiated (unlikely unless Dems sweep) than the IRA calls for. Currently, the law sets the number of drugs eligible to 15 Part D in 2027, 15 Part B&D in 2028, and 20 Part B&D in 2029 and beyond.
- **Harris has a history of endorsing prescription affordability and drug pricing controls.** As part of her campaign, she proposed a similar plan to Trump's Most Favored Nation Model ([here](#)) to use international reference pricing to set drug costs in the U.S., similar to other developed nations for the same medications. During her time as AG in California, she went after manufacturers that illegally inflated prices of prescription medications ([here](#)).
- **Eliminating medical debt is a campaign focus.** Her [platform](#) calls out eliminating medical debt as a major healthcare issue and highlights that she would work with states to cancel medical debt for millions of Americans and to help them avoid accumulating such debt in the future.

Under GOP/Trump, healthcare is a lower tier priority, but we could see some new initiatives. Again, we believe we will have a policy-light campaign from both sides, with tweets or headlines here & there.

- Likely reforms include Medicaid work requirements, Most Favored Nation, along with Medicare solvency ideas.
 - Lawmakers have discussed potentially mucking with tax benefits of employer sponsored private health insurance (NOTE: lobbying has begun to take it off the table).
 - Telehealth, HSA, AHPs and other "greatest hits" seen in past Republican budgets are also featured.
 - We do not believe the IRA will be repealed as it generates significant revenue, and Donald Trump likes negotiation in almost any industry, getting the best possible deal.
 - However, small fixes being debated (orphan, gene therapy fix) may pass.
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