

December 6, 2023

Election Update: GOP Debate Tonight

Return of ACA Repeal & Replace Rhetoric, House & Senate Outlook

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Trump continues to lead the GOP pack with Nikki Haley embracing MA, and Repeal & Replace being extremely unlikely to pass under almost any election outcome. There have been more healthcare headlines in the most recent weeks with Trump and DeSantis calling for a repeal and replace of the ACA. In addition, Haley is a supporter of MA, setting herself apart from other candidates. The fourth and final debate is scheduled for tonight, Wednesday, December 6 at 8 pm ET in Tuscaloosa, AL ([here](#)). We expect there to be more ACA discussion, and the GOP's "repeal and replace" platform given commentary from both Trump and DeSantis in recent days. The Iowa Caucuses start January 15, 2024, with New Hampshire Caucus following on January 23, 2024. Super Tuesday is on March 5, 2024. As of now, the Democratic Party does not plan to hold primary debates. The first presidential debate will take place on September 16, 2024. See below for House & Senate race outlook.

»» Key Points

The final GOP Presidential debate is scheduled for this evening: Wednesday, December 6 with 4 participants ([here](#)). FL Gov. Ron DeSantis, SC Gov. Nikki Haley, former NJ Gov. Chris Christie and entrepreneur Vivek Ramaswamy have qualified for the debate and will take the stage. Donald Trump, again, did qualify but declined the invitation to participate. The requirements for the fourth debate include: At least 200 donors from at least 20 different states & at least 6% voter support in two qualifying national polls or in a combination of one national poll and one poll from two different early primary states.

PRESIDENTIAL

Donald Trump is currently polling slightly ahead of Pres. Joe Biden. President Biden's election will come down to his performance in 6 key battle states (AZ, NV, GA, PA, MI, WI). Polling is showing Biden beating Trump in WI (45% to 41%), and Trump beating Biden in both AZ (48% to 43%) and GA (46% to 44%). As of today, General Election polls show that Trump is currently beating Biden (41% to 39%) ([here](#)). We note that if Trump wins the White House, the House and Senate could go with him.

"Repeal and Replace" is back with both Trump and DeSantis embracing it (though we think unlikely to happen). Last week former President Donald Trump announced on his social media platform, "Truth Social", that he plans to repeal and replace the Affordable Care Act ([here](#)). Many current Trump aides were surprised by this. Some of Trump's key advisors are calling his plan to terminate the Act, a "political loser going into 2024" ([here](#)). More than 40 M people have health insurance through the ACA, +50% since Trump entered office in 2017. In addition, since then, 9 red and "purple" states (ID, ME, MO, NE, NC, OK, SD, UT, VA) have opted to expand Medicaid. Ron DeSantis also stated that he would replace the ACA if elected ([here](#)). He is planning on releasing a full-length replacement this Spring.

The Biden administration has responded to ACA threats and is emphasizing healthcare wins/gains. The administration recently proposed changes for 2025 marketplace that would include a network adequacy provision requiring states to set numerical standards, seek to expand access to routine adult dental coverage, and standardize open enrollment periods across all states. The ACA has grown exponentially since Congress passed the law in 2010. Polls have shown that approval ratings of the Affordable Care Act have increased since Trump's presidency, from 48% of all adults finding it favorable to most recently 59% of all adults finding it favorable ([here](#)).

GOP support is emerging behind Nikki Haley as she continues to garner support. Haley was recently endorsed by the Koch network, Americans for Prosperity in Action, in an attempt to battle Ron DeSantis and inch towards Trump ([here](#)). This political network, founded by industrial billionaire Koch Brothers, Charles and David, gives Haley the organizational strength that both DeSantis and Trump have. The Koch network has raised more than \$70 M for political races as of this summer, and they continue to be one of the largest spenders in anti-Trump material this year, spending more than \$9 M opposing Trump.

CONGRESS

If the Senate election were today, Republicans would take control (slim majority). Current projections have Republicans at 50 seats, and Democrats at 47 seats (See [here](#)). MT, AZ, and OH are the three toss up seats, which are currently held by Jon Tester (D-MT), Sherrod Brown (D-OH), and Kyrsten Sinema (I-AZ). WV remains a state to watch after Joe Manchin (D-WV) announced he will not be running for re-election. Michigan will also be a state to watch with Debbie Stabenow (D-MI) retiring ([here](#)).

If the House election were today, Democrats would likely take control. Matt Gaetz (R-FL) is dividing up Florida Republicans' power after leading the efforts to oust McCarthy ([here](#)), who is leaving the Congress. Speaker Johnson will face the test in uniting House Republicans come Jan when the budget is set to expire. He may take the House over the cliff.

Redistricting is a thing – NY, GA, AL, LA. Democrats are also working on redistricting in NY which could give them four seats. There is federal court ordered redistricting in Georgia, Alabama, and Louisiana—resulting in new majority minority districts.

Key healthcare policy members of Congress – Dr. Burgess (TX) and Anna Eshoo (CA) -- are leaving the House & Senate in 2024. Anna Eshoo (Chairwoman of the House E&C Subcommittee on Health), Michael Burgess (Head of the House Budget Committee's health task force), Brad Wenstrup (Chair of the COVID-19 select subcommittee), Mitt Romney (member of the Senate HELP Committee, CARES Act), and Grace Napolitano (Founder & Co-Chair of Mental Health Caucus) are all fleeing their current positions. New leadership means a likely shift in healthcare priorities. We also expect there to be a lag in movement for healthcare bills as newly appointed lawmakers adjust to their new roles.

MA & DRUG NEGOTIATIONS

Nikki Haley supports Medicare Advantage (MA for All) and its expansion ([here](#)). She is the only GOP candidate to touch on MA during the recent GOP debate on Nov 8. Haley stated that expanding the MA program could lower costs and improve care highlighting that the Medicare Board of Trustees estimated this year that the program's hospital trust fund would run dry by 2031. Haley cited a study conducted by Avalere that stated, if FFS utilization rates were similar to those in MA, Avalere projects that the hospital trust fund would remain solvent until 2048. This is in comparison to the current administration which is attempting to curb Medicare spending by imposing pricing controls through the and reducing reimbursements to physicians (our analysis [here](#)).

IRA is likely the law of land, as it saves too much to repeal/modify significantly. As a reminder, the drug negotiation provision saves \$98 B over 10. Several “fixes” to drug negotiations were introduced this Fall but are unlikely to pass. IRA bills introduced include the ORPHAN Cures Act ([here](#)), which would expand the IRA orphan drug exclusion regardless of the number of orphan designation (\$5 B in costs over 10) and the Maintaining Investments in New Innovation (MINI) Act ([here](#)) which would delay negotiations for gene therapies to match biologics. We expect 9-to-13 parity to be introduced shortly. All bills are expected to cost the government, with low odds of passage near-term.

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