HEALTH POLICY 101

The Politics of Health Care and the 2024 Election

Editor's Note: On July 21, 2024 President Biden announced he would not seek reelection. This chapter will be updated to reflect new context about the election as information becomes available.
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: kff.org/health-policy-101

Medicare 101
Medicaid 101
The Affordable Care Act 101
Employer-Sponsored Health Insurance 101
The Uninsured Population and Health Coverage
Health Care Costs and Affordability
The Regulation of Private Health Insurance
Health Policy Issues in Women’s Health
Race, Inequality, and Health
International Comparison of Health Systems
The U.S. Government and Global Health
The Role of Public Opinion Polls in Health Policy
Congress, the Executive Branch, and Health Policy
The Politics of Health Care and the 2024 Election
Introduction

I have long planned to create an online resource or mini “textbook” for faculty and students interested in health policy. One of the stumbling blocks is that there is no agreed upon definition of “health policy.”

We took a stab at it of sorts at KFF in our headquarters when we created a physical timeline—as shown in the photo above—of the central events in the history of our field on a wall in our headquarters in San Francisco. But, of course, you can’t all visit our offices to see our health policy history wall—and many of you may have quibbles if you did.

For us at KFF, our definition reflects our views and what we do: Health policy centers around, well policy—what the government does, and public programs like Medicare, Medicaid, and the ACA, and heavily emphasizes financing and coverage.

We also focus relentlessly on people, not health professionals and health care institutions (I have never been fond of the word “provider”). Others have a more expansive definition and that’s fine. What I ultimately settled on doing is far simpler: Organizing the basic materials we have on the issues we work on, recognizing that they do not represent every topic of interest to the faculty and students we hope to assist.

The result is the following chapters. We will add chapters over time as we develop them. Our organization changes to play our role as an independent source of analysis, polling, and journalism on national health issues, and as that happens, we will add more content on subjects not covered in this first installment. We will also add chapters as we get feedback from you. And we will update the “101” at least annually as data and circumstances change.

Let me know if this is helpful and how it can be improved. You can reach me at daltman101@kff.org.

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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 affordability of health care, in particular, is typically a top concern for voters, along with other pocketbook issues, And, at 17% of the economy, 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 viewed the law 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.

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.

The Politics of Health Care and the 2024 Election
Health Care and the 2024 Election

The 2024 election presents the unusual occurrence of two candidates – current president Joe Biden and former president Donald Trump – who have already served in the White House and have detailed records for comparison, as explained in this JAMA column.

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 funding 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 vowed 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 budget proposals 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 more than $1 trillion over a decade.

In contrast, the Biden 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 record enrollment in ACA Marketplace plans 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.

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 upheld.
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 said, “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 cut off family planning funding to Planned Parenthood and other clinics that provide or refer for abortion services, but this policy was reversed by the Biden administration.

**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 demonstration program, capping monthly co-pays for insulin for some Medicare beneficiaries at $35. Late in his presidency, his administration issued a rule 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 regulations paving the way for states to import lower-priced drugs from Canada. The Biden administration has followed through on that idea and recently approved Florida’s plan to buy drugs from Canada, though barriers still remain to making it work in practice.

President Biden signed the Inflation Reduction Act, far-reaching 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 co-pay cap for insulin for all Medicare beneficiaries, and caps out-of-pocket retail drug costs for the first time in Medicare.

How Trump would approach drug price negotiations if elected is unclear. Trump supported federal negotiation of drug prices during his 2016 campaign, but he did not pursue the idea as president and opposed a Democratic price negotiation plan. During the current campaign, Trump said 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 favors 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 close.

Resources

- Election 2024 Resources
- What Would Another Trump Presidency Mean for Health Care?
- The Implications of the Public’s Preexisting Condition—Amnesia

This chapter was prepared by Larry Levitt.

Citation:
