

HEALTH POLICY 101

The Politics of Health Care and Elections

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

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The Politics of Health Care and Elections

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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 over <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.

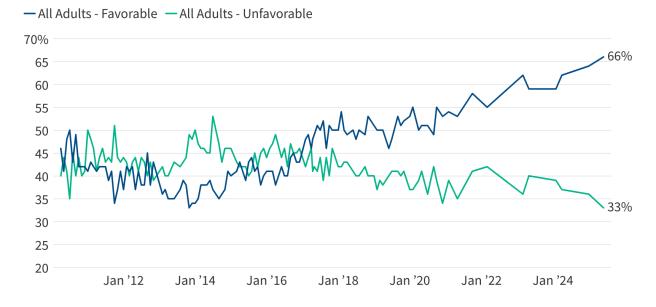
The Affordable Care Act (Obamacare)

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 Republican rallying cry in the 2016 campaign. After the election of Donald Trump, a high-profile effort to repeal the law was <u>ultimately defeated</u> 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: "In general, do you have a favorable or unfavorable opinion of the health reform bill signed into law in 2010, known commonly as the Affordable Care Act or Obamacare?"



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 due to rounding. July, 2015 data fielded in late June.

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While President Trump failed in his first term to repeal the ACA, his administration repealed the individual mandate penalty, reduced federal <u>funding</u> for consumer assistance (navigators) by 84% and outreach by 90%, and expanded 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. But, insurers responded by increasing premiums, which in turn increased federal premium subsidies and federal spending, likely <u>strengthening</u> the ACA.

Between President Trump's presidential terms, the Biden administration restored outreach funding and signed legislation increasing the premium tax credits that help ACA Marketplace enrollees pay their premiums, leading to <u>record enrollment</u> and historically low uninsured rates.

The increased premium tax credits are set to expire at the end of 2025 unless Congress and President Trump take action. If these tax credits do expire, people purchasing subsidized coverage will face <u>significant increases</u> in their monthly <u>premium payments</u> and some may become <u>priced out</u> of the market.

President Trump's second term has already brought federal policy changes that will significantly alter ACA Marketplace operations, consumer protections, and premium tax credit eligibility. Key changes in the 2025 budget reconciliation law, such as ending auto-renewals, removing repayment limits for tax credits when income rises, and tightening eligibility verification, are projected by the Congressional Budget Office (CBO) to result in 2 million people becoming uninsured.

Medicaid

Since its establishment in 1965, <u>Medicaid has evolved</u> as states took up the optional joint federal-state program to the point that in the 1980s all 50 states were participating. Due to the nature of its federal and state management, there has been a give-and-take over the flexibility of and spending for the program, but it has generally expanded in its coverage of key population groups.

With the passage of the ACA, Medicaid experienced its largest federal policy coverage expansion with the addition of what was ultimately a state option to cover adults with incomes up to 138% of the federal poverty level in exchange for enhanced federal funding for the coverage. Much like the take-up of the original Medicaid program, states have gradually adopted the expansion so that only 10 states, mainly concentrated in the South, remain holdouts. However, recent federal actions may alter the expansion landscape.

Until 2025, the most serious attempt by federal policymakers to make cuts to the Medicaid program was during the 2017 failed attempt to repeal the ACA. Medicaid changes in the legislation included a rollback of enhanced federal matching funds for the Medicaid expansion and a per-enrollee cap of federal funds for most Medicaid enrollees. The 2025 budget reconciliation law includes the largest enacted cuts in Medicaid's history, instituting Medicaid work requirements, tightening eligibility checks and reducing or capping types of provider funding. The CBO estimates that 7.5 million people will become uninsured due to the Medicaid provisions of the law. However, several of the Medicaid provisions will not be implemented until after the 2026 midterm elections.

Affordability of Health Care

One persistent feature of health care as an election issue is that it is fundamentally an economic issue for the country and for individuals. If you are uninsured, you not only experience access issues, but also the high cost of health care treatment. If you have health insurance, you worry about annual premium changes, deductibles, and cost-sharing related to health care services and prescription drugs whose prices continue to rise.

President 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 first administration accomplished little to restrain them.

President Biden signed the Inflation Reduction Act, which requires the federal government to negotiate the prices of certain drugs in Medicare, which was previously banned. How aggressively the prescription drug negotiation program proceeds during the second Trump administration is an open question. While President Trump has issued an executive order calling for a "most favored nation" policy for drug pricing, with prices in the U.S. matching the currently lower prices in other countries, it remains unclear how drug companies will respond to the call and whether there will be any enforcement mechanism.

Health Care Infrastructure of the Federal Government

A feature of the second Trump administration has been the push to <u>remake the executive branch</u> of the federal government to reflect his priorities at a scale that hasn't occurred in the recent past. Secretary of Health and Human Services (HHS), Robert F. Kennedy, Jr., <u>announced a plan</u> to restructure the department in March 2025 that would reduce the workforce substantially, create the new agency Administration for a Healthy America, reorganize and consolidate divisions and relocate offices.

HHS Secretary Kennedy is also leading the <u>Make America Healthy Again (MAHA) Commission</u> and making substantial changes to the vaccine approval process by remaking the roster for the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices and having CDC change recommendations for who should receive the COVID-19 vaccine.

These changes to the federal health care infrastructure could impact the accessibility of vaccines and other preventive services, as well as undermine the <u>confidence the public</u> has in the government, particularly its scientific agencies.

Future Outlook

Ultimately, irrespective of the issues that get debated during the campaign, the outcome of federal elections – who controls the White House and Congress – has significant implications for the future direction of health care.

However, even with changes in party control of the federal government, generally 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 and are usually preceded by one-party control of Congress and the presidency. More fundamental changes in health care financing and coverage, such as Medicare for All, face long odds. 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.

It has historically been 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." While Medicare and Social Security were largely untouched in the Republican tax and spending law passed in 2025, the law made substantial cuts to the ACA and Medicaid, and millions more people are projected to become uninsured in what will be the biggest rollback in federal support for health coverage ever. Looking toward the 2026 midterm election and beyond, changes to both the ACA and Medicaid, as well as fundamental changes to the health care infrastructure and public health policies of the federal government, may emerge as major campaign issues.

Resources

- Explaining the Muddle on ACA Tax Credits
- KFF Health Tracking Poll: ACA Enhanced Subsidies
- Make American Health Care Affordable Again
- We've Never Seen Health Care Cuts This Big
- Health Provisions in the 2025 Federal Budget Reconciliation Law
- ACIP, CDC, and Insurance Coverage of Vaccines in the United States

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Citation:

Levitt, L. & Singh, R., The Politics of Health Care and Elections. In Altman, Drew (Editor), Health Policy 101, (KFF, October 2025) https://www.kff.org/elections/health-policy-101-the-politics-of-health-care-and-elections/ (date accessed).



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