



2020 Presidential Election: Impacts on Employer-Sponsored Health Plans

With the major media organizations having now called the presidential election declaring former Vice President Joe Biden as the 46th President of the United States, we wanted to provide some forward-looking insights regarding the potential impacts to employer-sponsored health plans.

What does a Biden-Harris administration mean for employers and their employee benefits?

Although healthcare received an inordinate amount of attention during the Democratic primary and a good bit of discussion in the presidential debates, it isn't on the list of the immediate priorities released by the Biden-Harris transition team over the weekend. So, we don't anticipate any immediate changes to the status quo.

When the Biden administration does eventually turn its focus to healthcare, most experts predict no significant impacts on employer-sponsored health coverage and employee benefits programs. A primary reason for this view is the likelihood that we will continue to have a divided federal government. Control of the U.S. Senate will come down to two run-off elections in Georgia to be held on January 5, 2021; however, most political pundits project that Republicans are likely to maintain control. The Democrats lost seats in the U.S. House of Representatives but will maintain control over the next two years. If the Republicans keep control of the Senate it will be very difficult for the Biden administration to pass any significant healthcare legislation in the first two years.

Another reason why we expect minimal impact to employer-sponsored coverage is because President-elect Biden made it very clear in the last presidential debate that he didn't want to make major changes to private insurance coverage. He stated, "... the reason why I had such a fight with 20 candidates for the nomination was I support private insurance. That's why. Not one single person with private insurance would lose their insurance under my plan."

President-elect Biden takes a lot of pride in the Affordable Care Act (ACA) as he worked alongside President Obama to put it into law. His goal under his "Biden-care" plan is to expand the ACA and build upon the current structure; we don't expect this course of action to have much of an immediate impact on the group market.

There are some things that were a part of President-elect Biden's campaign platform could have an indirect impact on group coverage. The major items are a public option and Medicare buy-in at age 60. These proposals will have much difficulty gaining any traction in a divided government. Other items we will continue to closely watch include eliminating balance and surprise billing, as well as efforts to lower the cost of prescription drugs.

As always, we will continue to monitor all aspects of this situation, including any legal challenges by President Trump's campaign, and keep you up to date with any items that might change these projections or impact you or your employees.

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