

What Can Health Care Organizations Expect from President Biden?



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With President Biden now in the White House, the focus in health care turns to what he plans to accomplish in office. He has already stated he plans to expand on the Affordable Care Act (ACA) — even saying he plans to recoin its nickname from “Obamacare” to “BidenCare.”

What else is in store for health care under a Biden administration? Let's look at the likely short-term, near-term and long-term changes to come over the next few months and years.

LIKELY SHORT-TERM CHANGES (FIRST 100 DAYS IN OFFICE)

Biden's initial mandate, as he emphasized in his inaugural presidential address, is to immediately address COVID-19-related health care issues. We've seen Biden institute a nationwide mask mandate on federal property

and for interstate travel. His more-immediate intentions also include the following:

Increase testing and vaccinations. The plans include free COVID-19 testing and a goal to provide at least 150 million doses of vaccine to Americans within the first 100 days of his administration. Biden's proposed \$1.9 trillion spending plan, called the American Rescue Plan, includes \$400 billion for more COVID-19 vaccines and testing. Additionally, \$20 billion would be devoted to boosting the vaccine infrastructure, with a specific focus on increasing the number of community vaccine distribution locations.

Providers and provider networks are already seeing the impacts of this change. Many larger networks have started standing up new clinics or vaccine distribution sites and are relying heavily on their patient portal systems to handle the appointment scheduling for the vaccine. A large health care system in Northern California noted that within two days, it had scheduled nearly 8,000 vaccine appointments for patients 75 and older. At its peak, its system was scheduling 25 appointments every minute.

Enable broader ACA access. Biden may also attempt to address the rise of uncompensated care and the corresponding increase in bad debt by offering additional ACA enrollment periods, extending into 2021, for people who may have lost coverage due to the pandemic. Currently, among the 36 states using HealthCare.gov for ACA registration, people have additional time to enroll in coverage if they had a qualifying event during the regular open enrollment period, which ended Dec. 15, 2020.

Health plans and providers need to be ready for the impact of this change. It would allow ACA enrollment among those who lost their insurance or were laid off from their jobs, as well as those who did not initially meet or were unfamiliar with the annual open enrollment period. This could be a start to reversing the growing number of uninsured people in America.

POTENTIAL NEAR-TERM CHANGES (FIRST YEAR IN OFFICE)

Based on projections posted on Biden's presidential web site, he has also indicated an interest in tackling the following aspects of health care. We may see these actions within his first year in office.

Relax domestic prescription-drug purchase requirements. New policies may allow consumers to buy prescription drugs directly from other countries.

Add an out-of-pocket cap for Medicare Part D. A bill to cap Part D drug prices passed the Senate Finance Committee in 2020 but was not voted on by the full Senate. With Democrats now controlling both branches of Congress, this bill will likely be reintroduced in 2021.

Establish recommended pricing for specialty drugs. The Department of Health and Human Services may direct an independent review board to assess the value of specialty drugs and determine a recommended price. The Centers for Medicare and Medicaid Services already does this when determining Medicare prices for office visits,

consultation services and procedures.

POTENTIAL LONGER-TERM CHANGES

The Biden administration has expressed interest in addressing the increasing cost of health care through a number of possible measures.

Introduce a public health option. The administrators of such an option would negotiate prices with providers and provide greater market competition.

Stop “surprise billing.” Health care providers would be barred from charging patients out-of-network rates when a patient does not have control over the provider he or she sees (for example, during a hospitalization).

Target prescription drug prices. Biden indicated he plans to reduce the cost for prescription drugs by repealing an exception allowing drug companies to avoid negotiating with Medicare over drug prices. He also aims to terminate pharmaceutical corporations’ tax breaks for ad spending and limit new drug launch prices for drugs that face no competition. The latter would be based on HHS independent board recommendations regarding the prices that Medicare and the public option would pay for such drugs. Finally, he wishes to improve the supply of less-costly generic drugs.

Limit drug price increases. Biden may seek to limit price increases for all branded, biotech and generic drugs to no more than the general inflation rate. Drug manufacturers whose price increases exceed the inflation rate would incur a tax penalty.

Under the Biden administration, we may also see legislative measures that accelerate the testing and deployment of innovative solutions that improve the quality and reduce the cost of health care.

CONCLUSION

The success of Biden’s initial health care plans, and the ability of America to rebound from the effects of the pandemic, will determine much of the path forward for health care over the next four years. The sooner that millions of Americans can be vaccinated against COVID-19, the better, as the health care and societal benefits of vaccination appear promising. For example, Israel, which leads the world in vaccinations per capita, reported a significant drop in COVID-19 infections and hospitalizations after the population had received just one vaccine dose. Within the next two months, health care officials expect America will have two new COVID-19 vaccine options in addition to the two vaccines initially used.

Many of Biden’s longer-term ideas, like offering a public health option and reducing prescription drug costs, will likely require him to line up bipartisan support. Biden’s prior experience as a senator may prove useful in shepherding new bills through Congress and gaining the health care changes he seeks.