



March 2, 2022

WHAT YOU NEED TO KNOW ABOUT

Midterms' Impact on Health Policy

PRO POINTS

- **The Democrats' Build Back Better social spending package, the vehicle for nearly all of the party's health policy promises to voters, has no clear path forward since Sen. Joe Manchin (D-W.Va.) pulled the plug in December.**
- **If the party can't find a way to revive the bill,** Affordable Care Act tax credits that make plans cheaper for millions of Americans will expire at the end of the year. That means voters will receive notices of price hikes right before they go to the polls in November.
- **Democrats anxious about their midterm prospects are breaking off individual pieces of the bill, and plan to hold a vote just on the provision capping out-of-pocket costs for insulin in the coming weeks.**
- **The stalled package would have temporarily closed the "Medicaid gap" by giving people in the 12 states that have resisted expansion access to free ACA plans. Now, only South Dakota has a chance to expand Medicaid this year via a ballot referendum — a blow to Democratic candidates in non-expansion states, including Georgia, Florida, Wisconsin and North Carolina.**

HOW WE GOT HERE

After months of legislative fights, the House passed the Build Back Better package in November and members touted it as key to holding their slim House and Senate majorities. Then in December, just as progressives had feared, more conservative Senate Democrats opted not to advance the bill after they had secured passage of their preferred infrastructure legislation, citing concerns about inflation and other national priorities.

Despite efforts by some in the Senate to pitch a slimmer version of the bill that packages some popular health care provisions — including drug pricing reforms and Medicaid gap fix — with clean energy and climate policies, the effort has stalled. With a tight congressional calendar heading into the midterms, a Supreme Court nominee to confirm and a foreign policy crisis with Russia, the odds have become even longer for Democrats desperate to pass health policies on which they can campaign in the fall.

Republicans, meanwhile, are moving away from running on health policy. A GOP midterm agenda released by National Republican Senatorial Committee chair Rick Scott (R-Fla.) last week included no mention of the party's goal of nearly a decade to repeal the Affordable Care Act, nor did it include anything related to tackling health costs or increasing competition, opting instead to focus on promises on a border wall, eliminating parts of the government and tightening rules around voting. Many GOP candidates, however, have made opposition to Covid-19- related mask and vaccine mandates a key part of their pitch to voters.

WHAT'S NEXT

Senate Majority Leader Chuck Schumer said the chamber will vote in the coming weeks on a bill by Sen. Raphael Warnock (D-Ga.) to advance one of the most popular provisions of the stalled Build Back Better package: a \$35-per-month cap on out-of-pocket costs for insulin products. Unlike many of their other health policy goals, Democrats say they're confident the insulin bill has the potential to win GOP votes, and the measure could provide a crucial boost for Warnock heading into a tough reelection race in November.

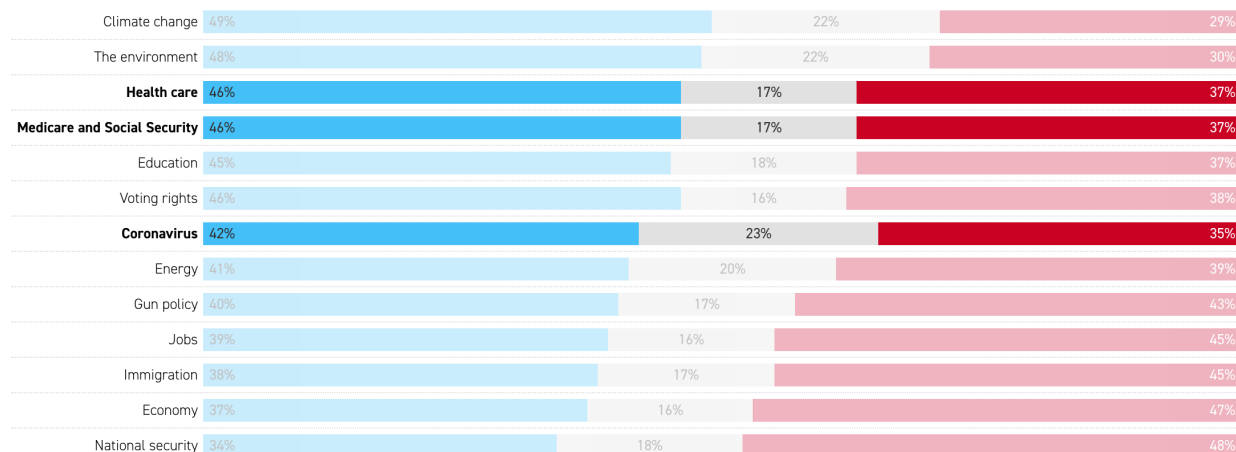


Warnock was a driving force behind the now-stymied effort to close the Medicaid gap, which would have extended insurance to tens of thousands of Georgians with low incomes. But he argues just the insulin provision will make a major difference for the state, which has a high rate of people with diabetes and has struggled with the drug's rising cost.

Voters tend to favor Democrats on health care issues

Which party voters said they trust more on a particular issue

Democratic Neither Republican



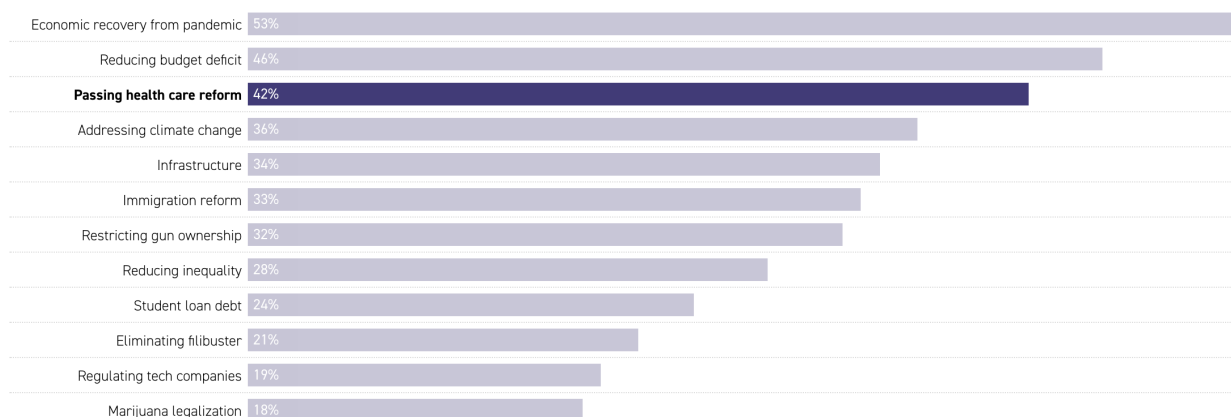
Source: POLITICO/Morning Consult poll conducted Jan. 28-30, 2022
Tucker Doherty / POLITICO

Yet some House Democrats are concerned that advancing the insulin provision on its own will sap the party's will to pass the rest of the reforms they promised voters, raising the question of whether the House would pass the stand-alone bill.

"I've often discovered that in Washington, if we create a partial solution, we take away from the mission to create a complete solution," Rep. Susan Wild (D-Penn.), one of many frontline Democrats defending swing districts, told reporters on a call last week. "My concern is that politicians would be able to pat themselves on the back for having capped insulin and then move on to something else."

Health care reform remains a top issue overall

Share of voters saying a particular issue should be a "top priority" for Congress



Source: POLITICO/Morning Consult poll conducted Jan. 28-30, 2022
Tucker Doherty / POLITICO



POWER PLAYERS

- **Sen. Raphael Warnock (D-Ga.):** Democrats' Senate majority may hinge on the freshman senator's ability to hang on to his seat in a tight race, and his ability to secure some health care wins to campaign on.
- **PhRMA:** The heavyweight pharmaceutical industry's lobby group, a perennial influence in federal elections, is likely to reward the Republican and Democratic candidates who opposed stricter regulations and price controls this term.
- **Sen. Rick Scott (R-Fla.):** The chair of the National Republican Senatorial Committee has attempted to fill the policy messaging void and lay out what the GOP would pursue if Republicans win back control of Congress in November, even as his party's leaders have shied away from such pronouncements in an effort to keep the 2022 focus on Democrats' handling of the pandemic and economy.