

## SPOTLIGHT REPORT

September 9, 2020

## Biden's Healthcare Influencers

**What's Happening:** With the close of Labor Day weekend and the unofficial end of summer, the Biden campaign is taking off in earnest. Healthcare continues to be a significant part of the overall campaign platform, both in how it relates to the coronavirus pandemic and in other more traditional health policy arenas such as prescription drug prices and health insurance. While the messaging out of the campaign is more focused on the day-to-day challenges of the pandemic and anti-Trump rhetoric, when the campaign pushes beyond the surface level discussions, health policy and the actions a Biden administration would take are top of mind for both staffers and voters.

**Why It Matters:** The cliché exists for a reason: personnel is policy. With the Democratic Party focused on healthcare and the legacy of the Affordable Care Act (ACA) as one of its signature issues, working on these policies for a Democratic president represents major opportunities to advance long-held goals and the ability to move the party in a certain direction as there are still big intraparty disputes on the future of healthcare, particularly the Medicare-for-All debate. When reviewing the candidates for the top healthcare positions in a Biden administration, it is important to remember that just because some potential senior staff members have worked for industry, that does not mean that they would not then carry out policies that would have a negative impact on that same industry. In fact, to a long-time policy maker like Biden, their experience in the private sector means that they could understand the workings of industry that much more. This is evident in the case of current Health and Human Services (HHS) Secretary Alex Azar, who worked in a senior position at pharmaceutical company **Eli Lilly (LLY)** before returning to government for the Trump administration and pushed for pharmaceutical policies many would have thought antithetical to his previous work experience.

**What's Next:** We expect there to be some incremental announcements of healthcare-related policy decisions, particularly around the coronavirus and any vaccine that gains approval before Inauguration Day, though former Vice President

Joe Biden still has room to be vague since it is in his advantage to maintain the election as a referendum on President Trump. We will continue to examine the transition team and any announcements it makes for people who are likely to join a potential Biden administration, should he win in November.

## Biden's Inner Circle

Former Vice President Joe Biden has a team of core advisors who weigh in across all areas of politics and policy including health. This close circle comprises individuals who are all considered candidates for top positions in a Bidne administration, including chief of staff and other White House roles that involve overseeing staff and heavy negotiations with Congress.

**Ronald Klain.** Klain has vast experience in Democratic politics and previously served as Biden's chief of staff during his vice presidency. Klain also served as chief of staff to former Vice President Al Gore and worked on both of Bill Clinton's presidential campaigns and Gore's. He was appointed by former President Obama to be the Ebola czar and he frequently comments in the press on the current coronavirus response. Klain is often described as having a strong influence on Biden, who is also right in the middle of the Democratic Party in terms of ideology. However, Klain also chose to work on Hillary Clinton's campaign in 2016 rather than waiting to see if Biden chose to run, which ruffled some feathers in the Biden camp at the time.

**Steve Richetti.** Richetti has been referred to as Biden's campaign chairman in campaign documents. A former legal counselor and chief of staff to Biden during his vice presidency, Richetti also has extensive private sector lobbying experience and founded his own government relations and political consulting firm. Health clients at the firm included **Eli Lilly (LLY)** and the American Hospital Association. Richetti is credited with attracting large Wall Street donors to the campaign and for this and his past positions, he is mistrusted by many progressives.

**Bruce Reed.** Reed also previously served as chief of staff during Biden's vice presidency and succeeded Ron Klain. After leaving that position, Reed became president of the philanthropic organization the Broad Foundation and focused on education issues, though he stepped down in 2015. Like most in Biden's inner circle, Reed has vast experience in Democratic politics having worked as chief speechwriter for Al Gore and deputy campaign manager for policy of the Clinton-Gore presidential campaign and later as a member of the bipartisan Simpson-Bowles Commission that looked into restoring a balanced budget

following the Great Recession.

**Ted Kaufman.** Kaufman, the head of Biden's transition team, is a Biden loyalist and has been in his inner circle for almost all of Biden's political career. He worked on Biden's 1972 Senate campaign and then headed his Delaware office before becoming chief of staff in his DC Senate office. When Biden won the vice presidency, Kaufman was appointed to fill his Senate seat that was later won by Senator Chris Coons (D-DE). Kaufman does not have an extensive health background, but he is well-liked by most progressives due to his work on the Dodd-Frank Act, which is an important quality in a position like chief of staff.

**Stefanie Feldman.** Feldman is likely not senior enough to be in consideration for some the positions as those discussed above but is worth mentioning as she would likely be a key White House staffer. Feldman is Biden's policy director after having worked on energy and environment issues during his vice presidency and then working as the policy director of the University of Delaware's Biden Institute.

## The Healthcare Experts

This group of people have previously held principal level positions in various healthcare agencies and will use their experience to provide guidance to Biden. While they are unlikely to return to their previously held roles due to precedence and would probably not choose to return to formal government work in a lesser position, their role as outside advisors, who likely will press for more moderate and safe options that are politically possible, is still significant.

**Kathleen Sebelius.** Sebelius was Obama's first HHS secretary and oversaw the rollout of and implementation of the ACA. Before becoming HHS secretary, she served as governor of Kansas. She has unique knowledge and insight into the ACA and as governor, she launched a drug importation program to lower drug costs.

**Sylvia Mathews Burwell.** Currently serving as the first female president of American University, Burwell was the HHS secretary from 2014 to the end of Obama's term and, prior to that, the director of the influential Office of Management and Budget (OMB). Burwell oversaw responses to Ebola and the Zika virus and used her time as HHS secretary to increase enrollment under the ACA and through Healthcare.gov.

**Dr. Margaret Hamburg.** Dr. Hamburg is advising the Biden campaign on healthcare and was the Food and Drug Administration (FDA) commissioner under Obama. She also previously worked in government as assistant director of the National Institute of Allergy

and Infectious Diseases, health commissioner of New York City, and assistant secretary for planning and evaluation at HHS under former President Bill Clinton. Currently she is foreign secretary of the National Academy of Medicine and a fellow at the American Association for the Advancement of Science and the American College of Physicians.

## **The Potential Agency Heads**

This group of people has Biden's ear and trust on healthcare issues and are likely to be considered for top healthcare positions such as HHS secretary, administrator for the Centers for Medicare and Medicaid Services (CMS), director of the Center for Medicare and Medicaid Innovation (CMMI) at CMS, and high level positions at the Centers for Disease Control and Prevention (CDC) and FDA.

**Vivek Murthy, MD.** Dr. Murthy served as surgeon general under Obama. He was a longtime Obama supporter, having co-founded Doctors for Obama in 2008, now Doctors for America, which supported the ACA. He has kept a high profile since leaving government work, writing a book and taking speaking engagements. He has advised the Biden campaign on coronavirus and is an important and active part of the health policy committee. Murthy would be an attractive candidate for HHS secretary as he is viewed as progressive, was not involved with the initial troubled roll-out of Healthcare.gov, and he could help with cabinet level diversity. He is frequently mentioned as being in the mix for this high-level role.

**Andy Slavitt.** Slavitt served under Obama as CMS administrator and has extensive other experience in healthcare and politics. Before going to CMS, he was part of the team that worked to improve Healthcare.gov and worked under HHS Secretary Burwell. He has been vocal about the Trump administration's response to the coronavirus and early on in the pandemic helped craft a congressional contact tracing plan. Slavitt is highly respected and if he wants to lead HHS, he would be a frontrunner for that leadership role.

**Donald Berwick.** Berwick was nominated by Obama in 2010 to serve as CMS administrator during a congressional recess and later resigned after it became clear that Republicans in Congress who viewed him as too far to the left would have likely blocked his confirmation. This makes his candidacy for HHS secretary less likely, though Berwick still has extensive experience having spent his career in health policy and running the non-profit Institute for Healthcare Improvement and he is trusted by both the Biden campaign and Medicare-for-All supporting progressives.

**Kavita Patel, MD.** Dr. Patel is a primary care physician who also is now working as a

fellow at the Brookings Institution. She served as director of policy for the Office of Intergovernmental Affairs and Public Engagement under Obama and retains active ties to CMS as a current member of the Physician-Focused Payment Model Technical Advisory Committee (PTAC) at CMS.

**Chris Jennings.** Jennings is a current member of the Biden campaign's health policy committee. He served as deputy assistant to the president for health policy and coordinator of health reform under Obama and was part of the implementation of the ACA and worked on health policy under Clinton. In these roles, he worked specifically on the Children's Health Insurance Program (CHIP) and the Health Insurance Portability and Accountability Act (HIPAA). Since leaving the White House, he founded a healthcare consulting firm and is a fellow at the Bipartisan Policy Center.

**Lisa Fitzpatrick, MD.** Dr. Fitzpatrick is a co-chair of the Biden campaign's health policy committee and is an epidemiologist and expert in infectious diseases. She has worked at the CDC and was medical director of DC's Medicaid program and the Infectious Diseases Care Center at United Medical Center in Washington, DC. She now works at the organization she founded, Grapevine Health, that assists Medicaid managed care organizations.

**Rebecca Katz.** Katz is a member of the team advising Biden on the coronavirus response. She is a global health and pandemics expert who has worked as a consultant to the State Department on issues including the Biological Weapons Convention, pandemic influenza, and disease surveillance and now directs the Center for Global Health Science and Security at Georgetown University Medical Center.

## Outside Advisors

This group of people are unlikely to leave the positions they already have but may still serve important capacities as informal or special advisors to a Biden administration.

**Dr. Ezekiel Emanuel.** Dr. Emanuel is currently advising the Biden campaign on coronavirus. He has previous government experience as a member of President Clinton's healthcare task force and special adviser for health policy to the OMB under Obama. Emanuel is vice provost for global initiatives and chair of the Department of Medical Ethics and Health Policy at the University of Pennsylvania and is also the brother of well-known politician and initial Obama White House chief of staff Rahm Emanuel.

**Dr. Robert Califf.** Dr. Califf, a cardiologist, was FDA commissioner under Obama and has

been advising the Biden campaign. He has previously worked as deputy commissioner of the FDA's Office of Medical Products and Tobacco and is now head of clinical policy and strategy for Verily and Google Health as well as a faculty member at Duke University.

## **What Health Policy Would Emerge**

Although we increasingly think that a health care deal creating a new public option will not be the first major legislative item to come to the floor of Congress as the health and economic responses to the pandemic would likely take priority, we do expect that a Democratic House and Senate, assuming Democrats gain unified control of Congress, would begin work on a larger healthcare package in February. Assuming the FY21 budget reconciliation authority is used to pass a Covid-19 stimulus package, they would work on this in the background until September when they would again have budgetary authority to pass a health bill via budget reconciliation to bypass the Senate filibuster, which, at this time, we do not think will be weakened. Below is an outline of what we expect this legislation to contain.

### ***Public Option***

The Biden campaign has [pledged](#) to build on the ACA through the creation of a public option for health insurance available to everyone. In combination with lowering the qualification age for Medicare from 65 to 60, this option would open up health insurance access to people who want a secondary option or who want to forgo a private option, or who do not qualify for a public option in their state or for subsidies for a private plan via the ACA. We believe there is a strong chance that at the end of the day, the public option would likely be administered by managed care companies, which will upset progressives who will push for a public option managed by civil servants such as CMS. This division came up in the Biden-Sanders Unity Task Force [recommendations](#), which endorsed a public option administered by the Medicare program. The public option will be the most significant legislative item that we expect Biden to pursue, due to its cost, but also because it will take on doctors, hospitals, and potentially insurance companies -- three of the largest and well-funded lobbying groups in Washington.

### ***Drug Pricing***

Biden would likely tackle drug pricing through regulatory authorities since drug pricing provisions may not be able to pass through budget reconciliation because regulation of

commercial drug prices does not necessarily directly affect the federal budget. We expect this would be accomplished via an expansion of President Trump's most-favored nation concept, which would tie drug prices in the US to the amount that other "favored nations" or developed democracies pay for the same drugs. Such a political choice would help avoid a legislative political battle, which is where PhRMA is strongest and it would also be far easier to actually implement in a timely manner in contrast to first passing a law, then a rule, then setting up an implementation process at CMS. Staffers who are familiar with CMS and the rulemaking processes would be key in contributing to this work.

### ***Medicare Advantage***

Due to the widespread popularity of Medicare Advantage programs among seniors, Biden is unlikely to make serious changes. However, Biden would still be unlikely to advance and promote the program to the degree that Trump has pushed for it over fee-for-service (FFS) programs, which could result in lower growth. Through executive actions from CMS, the Trump administration has sought to make Medicare Advantage the default choice for seniors. In our view, Democrats are likely to put FFS back on equal footing and may also rein in annual Medicare Advantage reimbursement starting in 2022.

### ***Medicaid***

Biden would continue to encourage states that have not already expanded Medicaid to increase insurance access. He would also likely agree to increase the Federal Medical Assistance Percentage (FMAP) temporarily through a coronavirus relief bill, as was included in the HEROES Act. He would also reverse Trump administration approvals of work requirements for Medicaid and rescind the Medicaid Supplemental payments rule that moves more financial obligations of Medicaid to the states.

### ***Covid-19***

The Biden campaign has released a [plan](#) "to beat" Covid-19 and frequently discusses the plan on the campaign trail. The plan acknowledges the "catastrophic failures of governance" on the part of the Trump administration and outlines how it will counter them. The key elements of the plan are increasing testing and tracing capacity, ensuring the supply of sufficient personal protective equipment (PPE) for all such as masks, shields and gloves, the use of "science-based treatments and vaccines," steps for reopening safely, and protecting those at high risk.

More concretely, this plan would involve doubling the number of drive through testing sites and making testing free, creating a coordinated national plan to acquire, produce, and distribute PPE, test kits and lab and other critical supplies, and ensuring premium pay for health care workers and emergency paid leave for all workers. On vaccines, the plan calls for ramping up large-scale manufacturing, creating an equitable distribution plan for vaccines, and restoring ties with the World Health Organization. On reopening, the plan requires assistance for small businesses, schools, and child care programs and tasking the Occupational Safety and Health Administration (OSHA) with setting and enforcing worker safety standards. While the plan does not mention another large-scale shutdown such as was seen at the beginning of the pandemic in the US or a national mask mandate, Biden has discussed both of these tools publicly as potential options.

Biden would likely employ advisors from the list above to lead in these response efforts. It is also possible that he would appoint a coronavirus Czar as was done during the Ebola outbreak. This position could go to an outside expert such as Dr. Ezekiel Emanuel. Biden has said that Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, would have “full access” to the White House, though he is not likely to take on a czar position as Biden would likely prefer a close political ally who also has scientific and managerial skills and with whom he has more extensive direct prior working experience.

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