Opinion

What the 2018 Midterm Elections Mean for Health Care

GAIL R. WILENSKY

THE DEMOCRATS' CONSISTENT FOCUS AND MESSAGING ON health care and the risks that the Republicans posed to protections provided by the Affordable Care Act (ACA)—especially coverage protections for people with pre-existing conditions—proved to be a winning theme for the 2018 midterm elections. Although the directional effects of the election outcome were widely predicted before the election was even held on November 6, the exact numbers of Republicans and Democrats elected remained in dispute far longer than seems reasonable with recounts, runoffs, and court challenges.

As expected, Democrats regained control of the House of Representatives and Republicans retained control of the Senate, adding two seats to expand their previous narrow margin of 51-49. A run-off election was held November 27 to fill Thad Cochran's Mississippi Senate seat since none of the candidates secured the necessary 50% to avoid a run-off. GOP-appointed Senator Cindy Hyde-Smith won with a six-plus point margin. The only surprise was that there was any question that she would win in a state as "red" as Mississippi.

Democrats gained 7 governorships, after the late call of Ron DeSantis as the elected Republican governor of Florida and will now hold 23 of the 50 governorships. Republicans had previously held an overwhelming majority of statehouses, an important factor regarding many health care issues that get determined at the state level. Republicans now control 30 states legislatures and Democrats control 18. Democrats are in full control of 14 states.

In the House, Democrats gained 39 seats with a net gain of 36. This is substantially more than the 23 seats that were needed to switch control from Republicans to Democrats. As of early December one California race had not yet been called but it appears that the Democratic candidate may have won the seat.¹

It is not unusual for the president's party to lose seats in mid-term elections: the average loss is 30 seats in the House and 4 seats in the Senate. These types of losses occur most frequently when there are "coat tail effects" during previous Presidential elections. Trump's election in 2016 was believed to have had such effects—especially in the Senate where Republicans were defending 24 of the 34 Senate seats up for election and ended up with a 52-48 majority. Jeff Sessions' seat in Alabama was lost in a special election to replace him. Whether the 2018 mid-term elections should be regarded as a "blue wave" is open to interpretation, but the election results may allow for some health care legislation to be passed at the state level that previously would not have been possible.

There are also some issues that may be raised during the "lame duck" session—the sessions that occur whenever a Congress meets after its successor has been elected but before the term of the current Congress has ended. These sessions usually occur because of legislation that needs to be enacted before the next session of Congress and are mostly used for program reauthorizations and budget issues. The issues being raised during the 2018 lame duck period are mostly related to funding questions, although there is some attention being given to Medicare Part D.

The current federal budget is scheduled to expire on December 21. Seven of the 12 regular appropriations have passed, including Defense and Labor/Health and Human Services. If there is no continuing resolution, Democrats may be willing to approve a short-term extension that would keep the government funded until February or March when the Congress will be back in regular session. The Medicare Part D policy change focus involves mandated discounts in the coverage gap, or the so-called donut hole. Pharmaceutical manufacturers have been required to provide a 50% discount on prescription drugs purchased in the coverage gap. A proposed change would require manufacturers to provide a 70% discount. However, the proposal has been criticized for shifting the risk that health plans bear to drug manufacturers rather than helping seniors directly. Because Republicans and Democrats have policy disagreements regarding the desired changes to discounts in the coverage gap, it is unlikely to be resolved outside a regular session of Congress.

The most important impact of the election for health care is the potential for Medicaid expansion in the 18 states that have not yet expanded their Medicaid programs. Three states (Kansas, Wisconsin and Maine)

elected governors favoring expansion. In Maine, a Republican governor was again elected but, unlike the previous Republican governor, is not adamantly opposed to the Medicaid expansion passed by the state's legislature and reinforced by a public ballot measure. In other states, Medicaid expansion was supported by gains of Democrats in state legislatures. In North Carolina, Republicans who had opposed expansion lost their "super majority" in both chambers and the Democratic governor supports expansion. In three other states (Utah, Idaho and Nebraska), voters passed initiatives that favor Medicaid expansion although in Nebraska the governor has said he wouldn't support the initiative if a tax increase would be required to finance the expansion.

There are at least two states, however, where an existing Medicaid expansion may face some obstacles—Alaska, which elected a Republican governor who has criticized the costs of the Medicaid expansion, and Montana, where a vote on a reauthorization of the funding for the Medicaid expansion failed.

Health care and social security have traditionally been regarded as issues on which Democrats do well, while the economy and defense are traditionally areas where Republicans do well. Democrats have understood this dynamic and, whenever possible, have steered election audiences to focus on what they have done or what they promise to do in these areas where the public favors Democrats.

Inexplicably, Republicans have also tried to get the electorate to focus on health care issues, especially on their plans to dismantle the Affordable Care Act. While "repeal and replace" was an effective rallying cry to motivate the Republican faithful when the Democrats controlled the presidency, it has proven to be a dismal political failure with Republicans in control of the presidency and the Congress. What is especially surprising is that Republicans didn't seem to understand the political perils of dismantling a benefit without replacing it with something else that those affected would regard as being at least "as good" as what they had under the ACA.

There is no historical precedent for taking away a benefit that has been in place for as long as three years. To no one's surprise, the effort to eliminate the ACA was a complete failure. In addition to the pushback from individuals who were newly receiving insurance coverage as a result of the ACA— either through the expanded Medicaid program or from subsidized private insurance purchased in the exchanges—Republican governors did not want to see the loss of enhanced Medicaid match

money.² They understood the importance of making sure that more of their citizens had insurance coverage, especially when most of the costs were being paid by the Federal government.

It's hard to fathom what part of this "political fact of life" Congressional Republicans have had trouble understanding.

References

1. Ballotpedia. Election results, 2018. https://ballotpedia.org/Election_results,_2018. Updated November 26, 2018. Accessed December 11, 2018.
2. Martin J, Burns A. Governors from both parties denounce Senate Obamacare repeal bill. *New York Times*. July 14, 2017. <https://www.nytimes.com/2017/07/14/us/politics/governors-oppose-senate-affordable-care-act-repeal.html>. Accessed December 11, 2018.

Address correspondence to: Gail R. Wilensky, Project HOPE, 7500 Old Georgetown Rd, Ste 600, Bethesda, MD 20814 (email: gwilensky@projecthope.org).