

MEMORANDUM

TO: American Society of Transplant Surgeons (ASTS)

FROM: Powers Legislative Practice Group

DATE: Thursday, November 21, 2024, 11:00 AM (EST)

SUBJECT: 2024 Election Summary and Analysis from a Health Care Perspective

I. <u>Executive Summary</u>

This memorandum provides a detailed analysis of the 2024 election results to date and their implications on the Executive Branch and composition of the 119th Congress, including the following:

- II. Election 2024: Overview of Election Results
- III. Detailed Analysis of Election Dynamics (as of November 21, 2024)
- IV. Key Changes to Congressional Committees Overseeing Health Policy
- V. Health Care Impact and Analysis
 - 1. End of Session Preview ("Lame Duck")
 - 2. Preview of Congressional Agenda for 119th Congress
 - 3. Preview of Trump Administration Health Agenda

The Republican candidate Donald Trump was elected President of the United States on November 5, 2024, for a second, non-consecutive, term. Republicans also won control of the U.S. Senate and House of Representatives

II. <u>Election 2024: Overview of Election Results</u>

President

Former President **Donald J. Trump (R)** won the 2024 presidential election defeating current Vice President **Kamala Harris (D)** by winning both the Electoral College and popular vote by a significant margin. President-elect Trump won 312 Electoral College votes, surpassing the 270-majority needed for election.

President-elect Trump won key battleground states that he won in 2016, including Georgia, North Carolina, and the so-called "Blue Wall," Pennsylvania, Michigan, and Wisconsin. President-elect Trump also won Arizona and Nevada, states that President Biden flipped in 2020. Voter turnout for the 2024 election was expected to be near the record high turnout of the 2020 election although it was not uniform across all states nor did it exceed 2020 numbers.¹ As of this

¹ Voter turnout in 2024: Map shows how they compare by state - The Washington Post

writing, President-elect Trump has earned more than 76 million votes to Vice President Harris' 74 million.

Congress

The Republican party will serve as the majority party in the both the U.S. Senate and House. Republicans flipped the Senate from the current Democrat majority by winning seats in red states against incumbent Democratic Senators in Montana (Sen. Tester) and Ohio (Sen. Brown) and picking up a seat in West Virginia from retiring Sen. Joe Manchin (I-WV). A close race in Pennsylvania with incumbent Sen. Bob Casey (D-PA) is still pending as the tight margin has triggered an automatic recount under Pennsylvania law.

On November 13, Republicans secured 218 victories in the House, giving them control of the chamber. As of this writing, three seats are still uncalled in California and Iowa.

The 2022 Midterm Election left Republicans with a very slim majority in the House. That slight majority and several factions in the Republican party led to a protracted Speaker of the House election and the downfall of Speaker Kevin McCarthy (R-CA) in 2023. House Republicans unanimously voted in a closed-door conference vote to make current Speaker of the House Mike Johnson (R-LA) their nominee for the 119th Congress. A full floor vote will take place in early January.

Confirmed Seats in the 2024 Congressional & Governors Races			
	Senate	House	Governors
Democrats	45	213	23
Republicans	52	219	27
Independents	2	0	0
To Be Determined	1	3	0

III. Detailed Analysis of Election Dynamics (as of November 21, 2024)²

U.S. Senate: Republican Majority Assured

The current count in the Senate has Republicans with a majority of seats in the Senate (52) compared to Democrats and Independents who caucus with them (47) as Republicans flipped three seats (Montana, Ohio, and West Virginia). Pennsylvania's race, with Democratic incumbent Sen. Casey, is headed for a recount. If Sen. Casey were to be defeated, the disability community would lose its primary champion in the Senate on disability policy. Vice President-Elect J.D. Vance will vacate his Ohio Senate seat when he assumes office, and the Ohio governor will appoint a replacement who is expected to be a Republican.

Earlier this year, Republican (Senate Minority) Leader Mitch McConnell (R-KY) announced his retirement from leadership after more than twenty years as a Senate Republican party leader, either as Majority Leader or Minority Leader. Three principal candidates were vying for the role, Sen. John Cornyn (R-TX), Sen. Rick Scott (R-FL), and Senate Whip John Thune (R-SD).

² House election results 2024 live updates | The Washington Post

Sen. Thune was elected as the new Senate Majority Leader in a secret-ballot vote on November 13. Democrat leadership votes are scheduled for early December, and current Majority Leader Chuck Schumer (D-NY) is likely to remain his party's leader as the Senate Minority Leader for the 119th Congress.

Of the 33 Senate races that were up for election this cycle, the following 11 races were, at most times during 2024, the most competitive:

Dattieground (Most Competitive) Senate Races		
State	Elected	Defeated
Arizona	Ruben Gallego (D)	Kari Lake (R)
Florida	Rick Scott (R)*	Debbie Mucarsel-Powell (D)
Maryland	Angela Alsobrooks (D)	Larry Hogan (R)
Michigan	Elissa Slotkin (D)	Mike Rogers (R)
Montana	Tim Sheehy (R)	Jon Tester (D)*
Nebraska	Deb Fischer (R)*	Dan Osborn (I)
Nevada	Jacky Rosen (D)*	Sam Brown (R)
Ohio	Bernie Moreno (R)	Sherrod Brown (D)*
Pennsylvania - TBD	David McCormick (R)	Bob Casey (D)*
Texas	Ted Cruz (R)*	Colin Allred (D)
Wisconsin	Tammy Baldwin (D)*	Eric Hovde (R)
a 1		1 11 .11 1 1 1 7 6 .

Battleground (Most Competitive) Senate Races

Some results are still pending due to recounts, runoffs, and absentee/mail-in ballots still to be counted. Information presented in the table is subject to change.

*Indicates Incumbent

Italics indicate race still pending with the leading candidate in the "elected" column **Bold indicates a flipped seat**

U.S. House of Representatives

Control of the House is unknown at this time. Of the 435 House races, the following 31 races were, at most times during 2024, considered the most competitive.

House of Representatives – Notable Districts that Have Been Called		
State and District	Elected	Defeated
AK-AL	Nicholas Begich (R)	Mary Peltola (D)*
AZ-01	David Schweikert (R)*	Amish Shah (D)
AZ-06	Juan Ciacomani (R)*	Kristen Engel (D)
CA-13 (TBD)	Juan Duarte (R)*	Adam Gray (D)
CA-22	David Valadao (R)*	Rudy Salas (D)
CA-27	George Whitesides (D)	Mark Garcia (R)*
CA-41	Ken Calvert (R)*	Will Rollins (D)
CA-45 (TBD)	Derek Tran (D)	Michelle Steel (R)*
CO-08	Gabe Evans (R)	Yadira Caraveo (D)*
IA-01 (TBD)	Mariannette Miller-Meeks (R)*	Christina Bohannan (D)
IA-03	Zach Nunn (R)*	Lanon Baccam (D)
ME-02	Jared Golden (D)*	Austin Theriault (R)
MI-07	Tom Barrett (R)	Curtis Hertel (D)
MI-08	Kristen McDonald Rivet (D)	Paul Junge (R)
NE-02	Don Bacon (R)*	Tony Vargas (D)
NM-02	Gabriel Vasquez (D)*	Yvette Herrell (R)
NY-01	Nicholas LaLota (R)*	John Avlon (D)
NY-04	Laura Gillen (D)	Anthony D'Esposito (R)*
NY-17	Michael Lawler (R)*	Mondaire Jones (D)
NY-19	Josh Riley (D)	Marcus Molinaro (R)*
NY-22	John Mannion (D)	Brandon Williams (R)*
NC-01	Donald Davis (D)*	Laurie Buckhout (R)
OH-09	Marcy Kaptur (D)*	Derrick Merrin (R)
OH-13	Emilia Skyes (D)*	Kevin Coughlin (R)
OR-05	Janelle Bynum (D)	Lori Chavez-DeRemer (R)*
PA-07	Ryan Mackenzie (R)	Susan Wild (D)*
PA-08	Rob Bresnahan (R)	Matt Cartwright (D)*
PA-10	Scott Perry (R)*	Janelle Stelson (D)
VA-02	Jennifer Kiggans (R)*	Missy Cotter Smasal (D)
VA-07	Eugene Vindman (D)	Derrick Anderson (R)
WA-03	Marie Gluesenkamp Pérez (D)*	Joe Kent (R)
		· · · · · · · · ·

House of Representatives - Notable Districts that Have Been Called

Some results are still pending due to recounts, runoffs, and absentee/mail-in ballots still to be counted. Information presented in the table is subject to change.

*Indicates Incumbent

Italics indicate race still pending with the leading candidate in the "elected" column **Bold indicates a flipped seat**

Gubernatorial Races

Of the 11 gubernatorial races that took place, all states retained current party control. Republicans will hold 27 governorships and Democrats will hold 23.

1 (otable Guber nator nar Races		
State	Elected	Defeated
Indiana	Mike Braun (R)*	Jennifer McCormick (D)
New Hampshire	Kelly Ayotte (R)	Joyce Craig (D)
North Carolina	Josh Stein (D)	Mark Robinson (R)
Washington	Bob Ferguson (D)	Dave Reichert (R)

Notable Gubernatorial Races

*Indicates incumbent

Bold indicates flipped seats

IV. Key Changes to Congressional Committees Overseeing Health Policy

The four primary authorizing committees with jurisdiction over health care issues, programs, and policies in Congress will experience significant changes in membership due to election results and retirements, outlined below. Committee leadership assignments and committee appointments to fill vacancies have not yet been announced. While many Senators and Representatives make their committee intentions known to their respective party leaders before the start of a new Congress, it is unlikely all committee assignments will be finalized before the end of the year.

Senate

With Republicans in the majority, Sen. Mike Crapo (R-ID) is poised to assume Chairmanship of the Finance Committee, responsible for addressing Medicare and Medicaid policy as well as tax policy, among other issues. Crapo, currently Ranking Member of the Committee, has a banking background, tends to focus on rural issues, and will play a pivotal role in the new Congress on tax-related policies. He has worked closely with the current Committee Chairman Ron Wyden (D-OR) on major health issues, including PBM and drug pricing reforms and drug shortage concerns, bringing Republicans on Committee along for high profile votes on traditionally Democratic health care policies. Ron Wyden (D-OR) is expected to serve as Ranking Member in the 119th Congress.

The Committee has three retirements with Sens. Tom Carper (D-DE), Ben Cardin (D-MD), and Debbie Stabenow (D-MI). Additionally, Sen. Sherrod Brown (D-OH) (and potentially Bob Casey (D-PA)) will be leaving Congress following election defeat, and Sen. George Helmy (D-NJ) will be leaving the Committee and the Senate in December 2024, following his three-month appointment to fill the seat of Sen. Bob Menendez (D-NJ) who resigned in August after his federal conviction on bribery charges. In all, there will be six vacancies to fill in the Senate Finance Committee.

State	Senator	Status on Committee
Delaware	Tom Carper (D)	Retired
Maryland	Ben Cardin (D)	Retired
Michigan	Debbie Stabenow (D)	Retired
New Jersey	George Helmy $(D)^3$	Temporary Term Complete
Ohio	Sherrod Brown (D)	Lost Election
Pennsylvania - TBD	Bob Casey (D)	Election Result Pending

Senate Finance Committee Changes

Italics indicate race still pending Bold indicates retired

With Republicans reclaiming Senate control, Ranking Member Bill Cassidy (R-LA), a physician, is set to chair the Senate Health, Education, Labor, and Pensions (HELP) Committee. The Current HELP Committee Chairman Bernie Sanders (I-VT), whose tenure was marked by a hard stance on reducing drug costs and advancing Medicare for All, is likely to be the Committee's Ranking Member. The HELP Committee was not able to advance much legislation in a bipartisan fashion given the partisan divide on the Committee.

Although Sens. Cassidy and Sanders co-sponsored legislation to regulate pharmaceutical benefit managers (PBMs), Sen. Cassidy's priorities are expected to shift with his new role. Sen. Cassidy has expressed reluctance to pursue an Affordable Care Act (ACA) repeal, emphasizing the challenge of securing the 60 votes required to overcome a filibuster, a contrast to Donald Trump's continued calls to dismantle the ACA. Additionally, Sen. Cassidy has frequently called for changes to the 340B Drug Pricing Program including significant changes to how the program operates. This issue may receive further attention when Sen. Cassidy assumes leadership of the HELP Committee.

Several members of the HELP Committee had close races this year. Sen. Tammy Baldwin (D-WI) won her race and Sen. Bob Casey (D-PA) race is too close to call at this time. Sen. Mike Braun (R-IN) won the Indiana governor's race and Sen. Mitt Romney (R-UT) retired, leaving two empty Republican spots on the committee.

State	Senator	Status on Committee
Indiana	Mike Braun (R)	Seeking other office
Pennsylvania	Bob Casey (D)	Election Result Pending
Utah	Mitt Romney (R)	Retired

Senate Health, Education, Labor, and Pensions (HELP) Committee Changes

Italics indicate race still pending **Bold indicates retired**

³ Replaced Sen. Bob Menendez after he resigned in August, 2024.

House of Representatives

In the House, there will be a significant shuffling of seats on key committees with jurisdiction over health care programs and policies due to the high number of representatives retiring or who ran for other offices. Several health care professionals newly won seats in the House, including pulmonologist Maxine Dexter (D-OR), family medicine physician Mike Kennedy (R-UT), OB-GYN physician Kelly Morrison (D-MN), allergy doctor Bob Onder (R-MO), and psychiatric nurse practitioner Sheri Biggs (R-SC).

Four members of the House Ways and Means Committee are retiring, including Reps. Drew Ferguson, DMD (R-GA), Dan Kildee (D-MI), Brad Wenstrup, MD (R-OH), and Earl Blumenauer (D-OR).

fibuse ways and fileans committee changes		
State	Representative	Status on Committee
California	Michelle Steel (R)	Election Result Pending
Georgia	Drew Ferguson, DMD (R)	Retired
Michigan	Dan Kildee (D)	Retired
Ohio	Brad Wenstrup, MD (R)	Retired
Oregon	Earl Blumenauer (D)	Retired

House Ways and Means Committee Changes

Bold indicates retired

Italics indicate race is not yet called

Over a dozen House Energy and Commerce Committee members did not run for reelection in 2024 including current committee chair, Cathy McMorris Rodgers (R-WA), Health subcommittee Ranking Member Anna Eshoo (D-CA) and physicians Reps. Larry Bucshon (R-IN) and Michael Burgess (R-TX).

Reps. Brett Guthrie (R-KY) and Bob Latta (R-OH) and possibly Richard Hudson (R-NC) are vying to become the next Energy and Commerce Committee Chair, and Rep. Frank Pallone (D-NJ) is expected to serve as the Committee's Ranking Member. Rep. Buddy Carter, RPh. is vying to Chair the Health Subcommittee on the Committee, and Rep. Diana DeGette (D-CO) is likely to attain the role of Ranking Member on the Health Subcommittee. Several other committee changes are noted in the table below.

	80	8
State	Representative	Status on Committee
Arizona	Debbie Lesko (R)	Did not seek reelection
California	Anna Eshoo (D)	Retired
California	Tony Cardenas (D)	Retired
Delaware	Lisa Blunt Rochester (D)	Elected U.S. Senator
Iowa	Mariannette Miller-Meeks	Election Result Pending
	(R)	_
Indiana	Greg Pence (R)	Retired
Indiana	Larry Bucshon, MD (R)	Retired
Maryland	John Sarbanes (D)	Retired
New Hampshire	Annie Kuster (D)	Retired
North Dakota	Kelly Armstrong (R)	Elected Governor (current
		Vice-Chair)
South Carolina	Jeff Duncan (R)	Retired
Texas	Michael Burgess, MD (R)	Retired
Utah	John Curtis (R)	Elected U.S. Senator
Washington	Cathy McMorris Rodgers	Retired (current Chair)
C	(R)	

House Energy and Commerce Committee Changes

*Reelected

Bold indicates retired

Select Ballot Issues and Referenda

In addition to the federal races, several states voted on notable ballot issues and other state policies impacting health care. California is likely to pass Proposition 34 that would require 98 percent of the revenues from the 340B Discount Drug Program to be used on direct patient care; results are not final.

V. <u>Health Care Impact and Analysis</u>

End of Session Preview ("Lame Duck")

Following the election, Congress holds leadership elections for the new Congress and begins to plan its agenda. With a Republican majority in the House and Senate and a Republican President, there will be a sense that the party has a mandate to lead initiatives and significant policy changes. The period between returning from the election and long back-home recess and the end of the calendar year is referred to as a Lame Duck Congress. Congress is only expected to act on legislation that must be addressed before the 118th Congress formally adjourns. We expect that President-Elect Trump will play a key role in directing what legislation is passed this year. However, since Republicans retained the House, the likelihood increases that any end-of-year legislative package will be narrower than initially expected or hoped for before the election, if there is to be a legislative package at all. Republicans may decide it's preferable to push pending bills, including government funding (appropriations) into next year when they have full control to make decisions.

Must be Addressed -- FY 2025 Appropriations

With funding for federal government agencies and programs set to expire on December 20, 2024, Congress must agree to either a final Fiscal Year (FY) 2025 appropriations package or a continuing resolution to fund the government at current levels for a defined period of time, or otherwise risk a government shutdown. Congress could opt to pass an omnibus spending bill, which packages individual appropriations bills into one large bill, or adopt a hybrid approach, passing continuing resolutions using existing funding levels for some agencies and enacting final appropriations bills for other departments where agreement can be more easily reached – often referred to as passing individual "mini-busses."

House Republicans are divided on whether to pursue a continuing resolution into next year or to aim for an omnibus bill in December. Some Republicans favor an end-of-year deal to avoid a government shutdown and to start a clean slate in 2025, while others argue delaying until January would provide the party more leverage, as they have full control of Congress as well as the White House.

Other Actions

Congress is expected to pass the National Defense Authorization Act (NDAA). This bill authorizes programs and sets forth policies for the Department of Defense (DOD) that must be passed every year. President-elect Trump may weigh-in on this bill in the coming weeks which could alter the expected trajectory of this annual, typically-bipartisan bill.

Additionally, as some legislators prepare to leave Congress and others look to wrap up their 2024 agendas, there may be enthusiasm to attach bipartisan, bicameral, and low- or no-cost health policy bills without opposition to a larger package. Such bills could include policy priorities that have long been championed by retiring members of Congress, such as the Improving Seniors Timely Access to Care Act (H.R. 8702/S. 4532), the Living Donor Protection Act (H.R. 2923/S. 1384), and bipartisan PBM-reform bills that passed the House and that advanced in the Senate.

Preview of Congressional Agenda for the 119th Congress

Partisan Divide

With Leader McConnell publicly stating, "the filibuster is very secure," the Senate's legislative filibuster rule is highly likely to remain in place, requiring 60 votes to pass most legislation, although President-elect Trump has expressed some exasperation with the rule as it currently stands. The Republican majority may attempt to use the budget reconciliation process to advance difficult-to-pass legislation. This legislative procedure allows legislation to be passed with a simple majority (51 votes) if it is deemed "germane" to certain tax, spending, and debt limit legislation. For example, this procedure was used to enact the Affordable Care Act in 2010. It is likely that leadership will attempt to pass at least some priorities through budget reconciliation to avoid the filibuster.

Preview of Trump Administration Health Agenda

A Trump administration is likely to scale back Biden-era policies, particularly those strengthening Affordable Care Act (ACA) enrollment (e.g., enhanced subsidies first enacted during the COVID-19 pandemic) and expanding abortion access. Although Trump has discussed increasing transparency, promoting competition, reducing regulation, and reducing medical costs, he has provided limited specifics at this point on how he would achieve these goals.

Trump has been mostly silent on Medicaid policy specifics but has stated that large-scale deportations would alleviate what he describes as a "financial drain" on the healthcare system, theoretically reserving Medicaid for U.S. citizens. His administration might approve state initiatives linking Medicaid eligibility to employment and consider Medicaid block grants to reduce Medicaid spending, a policy he previously advocated.

Key Nominations

The Department of Health and Human Services (HHS) under President Trump will see leadership from prominent conservative healthcare figures, including Robert F. Kennedy Jr., who has been chosen to lead HHS. Pending Senate confirmation, Kennedy will oversee key health agencies and have broad influence across the U.S. health industry, including food safety, pharmaceuticals, and public health. President-elect Trump has also nominated Dr. Mehmet Oz to serve as the Centers for Medicare and Medicaid Services (CMS) administrator, the federal agency responsible for overseeing health insurance coverage for more than 150 million Americans. Former Louisiana Governor Bobby Jindal, Paragon Health Institute President Brian Blase, former HHS Deputy Secretary Eric Hargan, former HHS Deputy Chief of Staff Paul Mango, and former Domestic Policy Council Director Joe Grogan are some of the other names likely to be under consideration for healthcare leadership roles in the new Administration.

President-elect Trump has announced several other nominations outside of the healthcare sector, all of which will likely shape his administration's policy agenda. Susie Wiles, co-chair of Trump's 2024 campaign, will serve as his chief of staff, making her the first woman- Republican or Democrat- to hold the position. Former Rep. Matt Gaetz (R-FL) has been nominated for attorney general, although some Senate Republicans have expressed doubts about whether he will secure enough votes to be confirmed. Trump has also tapped Linda McMahon, the former CEO of the WWE and administrator of the Small Business Administration in the first Trump administration, as the education secretary. President-elect Trump has frequently stated that he would like to eliminate federal oversight of education.

Drug Pricing

Republican control of the Senate and Executive Branch would likely mean significant changes to drug pricing policy, focusing on deregulation, alternative cost-control measures, and domestic production incentives. His stance on Medicare drug price negotiations, a central part of the Inflation Reduction Act (IRA) passed under President Biden, remains uncertain. While Trump has expressed opposition to various aspects of the IRA, it is unclear whether he would rescind the law's drug pricing components, including Medicare price negotiations and the inflation rebate policy. Congressional Republicans, however, are likely to push for repealing these provisions.

Key policy proposals from conservative think tanks like the America First Policy Institute (AFPI) suggest transitioning Medicare Part B drugs to Part D, creating a trade policy to address "free-riding" by foreign countries, and expanding access to over-the-counter drugs. At the state level, AFPI advocates for increased drug pricing transparency, prescription drug savings plans for uninsured individuals, and drug importation programs. The conservative think tank Heritage Foundation's Project 2025, which President-elect Trump sought to distance himself from during his campaign, emphasizes repealing Medicare drug price negotiations, and would also undo many of the IRA's provisions, such as out-of-pocket spending caps and Part D redesign.

Trump's prior efforts to reduce drug costs, including executive orders on insulin discounts, drug importation, and most favored nation pricing, were largely unimplemented. His second term may revisit these policies with a renewed focus on domestic production and PBM reform.

Public Health & Research

A second Trump administration and Republican Congress is poised to make substantial changes to public health policy, with a strong focus on deregulation, reducing government involvement, defunding or reducing funding to certain agencies, and promoting alternative health strategies. Details are not yet clear, but Trump campaigned on making significant changes to federal health agencies including the Food and Drug Administration (FDA), the Centers for Disease Control and Prevention (CDC), and the National Institute of Health (NIH). In fact, a comprehensive redesign of NIH proposed by the House Energy and Commerce Committee earlier this past summer takes on new significance if the House remains in Republican hands.

Proposed Government Efficiency Commission

One of President-Elect Trump's campaign promises was to establish a task force that would cut federal programs and crack down on improper payments. The idea was brought to Trump by tech billionaire, Elon Musk, and Trump has since tapped Musk and tech billionaire and former Republican presidential candidate Vivek Ramaswamy to lead a new Department of Government Efficiency or "DOGE". Congress has the authority to create new federal departments, so the DOGE is likely to be an advisory committee and offer recommendations to federal agencies. Creating a commission to trim wasteful spending is not a new concept as both former presidents Ronald Reagan and Bill Clinton established similar task forces, but with mixed results and shortcomings associated with both attempts. Nevertheless, the potential healthcare impact as it relates to ACA plans and reigning in Medicare and Medicaid spending could be material with the creation of this commission and is worth noting. Trump has stated that he would protect Medicare and Social Security, but those promises may come under fire as pressure builds to reduce government spending over the next four years.

For more information, please contact the attorney or government relations professional at Powers with whom you typically work.