

US policy update: Trump's exit strategy, the elections and the future of US healthcare

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This US election cycle, GC team members in the Washington, DC and London offices are holding a series of conversations on the elections and wider US policy issues, and how each might impact investors and companies on both sides of the Atlantic. Below is a brief extract from the fifth conversation in the series, which explored Trump's exit strategy and the implications for November, before considering the legacy covid-19 may have on US hospital capacity and healthcare policy more broadly. The speakers are [Erin Caddell](#) (Director, GC US) and [Joe Palombo](#) (Practice Lead, Global Investor Services). To access the full recording, email m.milne@global-counsel.co.uk

US lockdown exit strategy

JP: Trump's strategy has attracted quite a bit of discussion and controversy. Can you give us an overview of the official plan and how states might vary in applying it?

EC: I'd recommend that those with investments in the US read the Opening Up America Again plan. It's quite informative and highlights the many challenges that will have to be overcome in reopening the economy. Before any reopening, a state or region must meet a number of criteria, including a downward trajectory of documented covid-19 cases in a 14-day period and a robust testing programme for at-risk healthcare workers. Looking at the data, these seem pretty hard to meet at the moment.

Controversially, Georgia's Governor is starting to reopen his state this week even though the number of cases there is still rising fairly dramatically. So as a Governor you can ignore the guidelines. But I think most will hold off reopening for a while. There was a WSJ/NBC News poll this week that said 6 in 10 Americans worry about reopening too early, versus 3 in 10 that think the greater risk is the economic impact of waiting too long.

Even when the criteria in the plan are met, reopening is not going to happen that quickly. In phase 1, the vulnerable are recommended to remain home, gatherings of over 10 people are discouraged, and schools and organised youth activities should remain closed. There are two more phases where restrictions would be further relaxed, but only after states and regions show no evidence of a rebound in cases.

US healthcare policy after covid-19

JP: Since the progressive wing of the Democratic Party has fallen off the radar from the nomination perspective, what might that do to Biden's policy on healthcare provision?

EC: First, let's separate out what we mean by 'healthcare'. Medicare for All, the plan supported by Warren and Sanders to provide universal healthcare akin to that seen in many European countries, still feels - even amidst the crisis - a bridge too far for most Americans.

A Biden administration would have to reckon with the challenges and strains on the system that covid-19 has brought. But that could be done in other ways than Medicare for All. For instance, Medicaid expansion. The state-administered programme under the Affordable Care Act (ACA) has not been taken up by all states, but after covid-19 even some Conservative states may consider it. Biden would also be likely to further expand the ACA and reverse the Trump administration's attempts to limit it, and would fit neatly with his message given that he was one of the statute's originators as Obama's vice president.

Whoever wins in November, there will be a lot of focus on healthcare. Decisions will have to be made in the federal budget given the expansion of the deficit. One key question is whether as much will be spent on traditional defense, or whether more will be shifted to biodefense and healthcare to tackle the unseen enemy that has affected us all so much.

JP: And that raises a great set of questions for another call another day, on the fiscal impact of covid-19 bailouts and what it means long-term for spending decisions for whoever wins in November.

If you would like to be added to our invite list for the bi-weekly call, please email Matilda at m.milne@global-counsel.co.uk