

# HOW THE ELECTION WILL IMPACT HEALTHCARE POLICY AND IN-HOME CARE

# The Existing or New Administration's Impact on Health Care Policy and In-Home Care

## *A national home care provider's insight into the healthcare landscape post-election*

To say this year has been one of volatility and uncertainty might be the understatement of the century, and it would be no exaggeration to say that the upcoming election may be one of the most historic and consequential in United States history. But how will a new administration (or an extension of the existing administration) impact healthcare policy and in-home care? Though the Trump and Biden administrations have very different ideas about how to improve healthcare in the US, similar problems within the system will need to be addressed regardless of which administration takes the White House in November.

Medicare, the US's health insurance program for those 65 and older, was projected to be insolvent by 2026 before the COVID crisis — according to the most recent annual report from Medicare's trustees. Now, many experts are predicting the insolvency could hit as soon as 2022 or 2023. One such expert is So Shulkin, a senior fellow at the Leonard Davis Institute of Health Economics at the University of Pennsylvania. “[Medicare insolvency] is something that needs immediate attention,” he said, noting that COVID's strain on hospitals and the Trump administration's emergency brake on payroll taxes during COVID (payroll taxes that funded Medicare) have stressed the trust fund even more.

Strategies to address the Medicare crisis include increasing revenues to the fund, decreasing expenditures, or some combination of the two. To do this, the burden of the nation's healthcare costs will either need to be shifted off CMS and on to individual consumers, or more taxpayer dollars will need to be pushed into Medicare, or both.

So far, the Trump administration seems to favor cutting expenditures and taking a more market-oriented approach, as opposed to focusing on increasing tax revenue to Medicare. For example, Trump has supported utilizing Medicare Advantage plans — providing private insurers with both government dollars and opportunities to sell additional products — if they can protect consumers while reducing the cost to Medicare. Because of this, experts expect to see a greater number of managed care plans, new entrants into the market from a provider standpoint, and additional supplemental benefits in the coming years.

Trump has also proposed budget cuts to Medicare several times in recent years. In 2018 he proposed cutting \$500 billion, in 2019, over \$800 billion, and this year he proposed cutting \$450 billion. Though the proposals were unsuccessful, they do show an increased interest by the Trump administration in reducing Medicare spending. In January of this year, Trump said he would consider more cuts to Medicare if he wins a second term.

By contrast, the Biden administration wants to expand the age of coverage for Medicare from 65 to 60. This expansion would be funded almost entirely by a tax increase that his administration says would only affect those who made more than \$400,000 per year or more of annual income. Biden also said he wants to reduce prescription drug costs by letting the government negotiate prices with manufacturers.

“Addressing the Medicare crisis is one of the most important challenges the future administration will face, and it has significant implications for both home care providers and those who advise on insurance products,” said Tafa Jefferson, CEO of Amada Senior Care, a private-duty in-home care franchise with over 130 locations nationwide. Tafa’s senior care agency works hand-in-hand with financial advisors and tenured agents who advise consumers on long-term care insurance products.

“Seasoned advisors and insurance agents understand that future care costs are increasing for seniors. Seniors who have purchased insurance products will have some degree of protection from escalating costs. Consumers who have not planned for rising care costs will suffer more financial strain from having to cover services that will no longer be reimbursed through traditional government programs. For policyholders, this means the percentage of filed claims will increase, they will file claims sooner, and many will need additional resources beyond their existing benefits.”

According to Tafa, those who advise consumers on products like long-term care insurance may want to consider partnering with reputable agencies who deliver care (like hospice and home care services) to manage claims, coordinate care, and access additional resources to fund care.

To learn more about how to differentiate yourself as an agent or to drive added value to your agency or firm, contact Amada Senior Care’s National Accounts division by calling **866-255-1536**.

