



Analysis of 2016 Elections

Voters handed the GOP an astonishing victory on Tuesday night, clinching the White House and both chambers of Congress for Republicans. In Washington, both parties were stunned by the shocking outcome, with Donald Trump winning the presidency and Republicans overcoming long odds to hang on to their Senate majority and keep House losses to a minimum. This is a serious shift of power, and a serious change to the capital. We haven't seen one-party rule in D.C. since 2010. Democrats used it to pass Obamacare, the stimulus package, and the Dodd-Frank Wall Street reform bill. Republicans hated all-Democratic rule -- and made the Democrats pay for it. Democrats can now expect that Republicans will try to run the board legislatively. The GOP will now need to figure out specifically what they stand for, and how to put that into legislative language.

Presidential

Americans fed up with eight years of a sluggish economy and a growing disconnect with their leaders in Washington voted Tuesday to send businessman and political novice Donald Trump to the White House, guaranteeing one of the biggest shakeups in political history. Trump was successful in winning the key states of Florida, Georgia, Iowa, North Carolina, Ohio, Pennsylvania, and Wisconsin to defeat former first lady, former senator and former Secretary of State Hillary Clinton with at least 290 electoral votes (with Michigan and New Hampshire yet to be called). Clinton had been seeking to make history as the first woman to win the White House, but instead the 70-year-old Trump made history of another sort, becoming the first person elected to the top job without having held a high government office or military command.

Potential Repeal of Affordable Care Act and Other Health Care Implications

We are entering uncharted territory, with a president-elect who has little political experience and is deeply distrusted by a portion of the American public. His victory puts repealing President Barack Obama's Affordable Care Act and health insurance for some 20 million Americans within reach. Ever since the law passed in 2010, Republicans have campaigned on a pledge to repeal Obama's signature domestic policy achievement. Trump's victory, with continued GOP control of Congress, gives them their first opportunity to do so. Trump and congressional Republicans have set high expectations for repealing the ACA and they have a road map to repeal significant parts of the law, even with a narrow Senate majority. But the GOP is still far apart on specifically what kind of alternative to enact. And it's unclear how the public would respond to taking health care away from millions of people — the first time in American history that such a broad societal benefit enacted by Congress would be repealed.

On other issues of importance to the pharmacy industry, Trump has given only broad outlines of policies he has embraced such as allowing Medicare to negotiate drug prices, requiring price transparency from all health care providers, turning the Medicaid program into block grants to the states, and allowing for the importation of foreign drugs.

Possible Health and Human Services Secretary

Trump does not have the traditional cadre of Washington insiders and donors to build out his Cabinet, but his transition team has spent the past several months quietly building a short list of industry titans and conservative activists who could comprise one of the more eclectic and controversial presidential cabinets in modern history. Among the names receiving buzz to serve as Health and Human Services Secretary: Florida Gov. Rick Scott, former House Speaker Newt Gingrich, and Ben Carson, former GOP presidential candidate. Carson has received the most attention lately for HHS, even from Trump himself. One longer shot would be Rich Bagger, the executive director of the Trump transition team and former pharmaceutical company executive.

U.S. Senate

Republicans beat long odds to hold onto the Senate and are looking at a very favorable GOP map in 2018 where they will be defending eight seats vs. 25 Democratic seats. As it looks right now, the new Senate line-up will be comprised of 51 Republicans (Louisiana's Senate runoff is Dec. 10) and 48 Democrats, including two Independents expected to caucus with Democrats.

Democrats had to pick up at least four seats if Clinton became president, and five under Trump, to seize the Senate majority. Democrats picked up only two seats: Illinois, where current Rep. Tammy Duckworth unseated incumbent Republican Sen. Mark Kirk, and in New Hampshire, where Republican Sen. Kelly Ayotte was narrowly defeated by Democratic Gov. Maggie Hassan. They also won a competitive Senate race in Nevada, where former state attorney general Catherine Cortez Masto beat Republican Rep. Joe Heck. But the seat, which is being vacated by retiring Senate Minority Leader Harry Reid, already belonged to Democrats.

In the next Congress, Sen. Mitch McConnell (R-Ky.) will remain Senate Majority Leader and Sen. Chuck Schumer (D-N.Y.) is expected to become the Senate Minority Leader following the retirement of Sen. Harry Reid (D-Nev.). Sen. Orin Hatch (R-Utah) will remain Chairman of the Senate Finance Committee and Sen. Ron Wyden (D-Ore.) will be the Ranking Democrat. Hatch has indicated that prescription drug prices need to be tackled by the committee next year. Sen. Lamar Alexander (R-Tenn.) is expected to remain Chairman of the Senate HELP Committee (with jurisdiction over the FDA, including pharmacy supply chain security and compounding) and current Ranking Democrat Sen. Patty Murray (D-Wash.) may seek a leadership position, which would create an opening for Sen. Bernie Sanders (I-Vt.), who is interested in the position.

Pharmacy champions Sens. John Boozman (R-Ark.), Chuck Grassley (R-Iowa), and Jerry Moran (R-Kan.) all won re-election. Also, in Indiana, Republican Rep. Todd Young beat Democrat Evan Bayh, who served two terms in the Senate and hails from one of Indiana's most powerful political families. Young is a friend of pharmacy as he is an original sponsor of provider status legislation (H.R. 592) in the House.

U.S. House of Representatives

Republicans kept a lock on the House and appear likely to limit Democratic gains to the single digits, a far better outcome than they were predicting just weeks ago, and one that gives the GOP a bigger majority than it had after the 2012 elections. This is a stunning reversal of fortune after many GOP leaders feared double-digit losses. At several points this year, Democratic leaders predicted that Donald Trump's presidential nomination would prompt an anti-Republican wave that would sweep 20 or more Democrats into the House.

The GOP led 238-193 with votes still being tallied. The Republicans controlled the House by 246-186 with three vacancies going into the election, where all 435 seats were up for grabs. Democrats seized four redrawn, GOP-held districts in Florida and Virginia and ousted incumbents in a few more. But they could not unseat Republicans in key districts across the country, including suburban seats that they thought they could win easily with Trump on the ticket. Democrats edged out victories in a few districts. Reps. Scott Garrett (R-N.J.) and Bob Dold (R-Ill.) lost, and Democrats claimed a pair of GOP-held seats in Nevada. In New Hampshire's first district, Democrat Carol Shea-Porter defeated Republican incumbent Frank Guinta. But they struck out in many more districts, including six Republican-held seats in New York and two in suburban Minneapolis.

In the next Congress it remains to be seen if Speaker of the House Paul Ryan (R-Wis.) will face a challenge to his leadership position. If he does, the entire roster of Republican House leadership could change. It is also too early to predict whether there will be any challenge to current Minority Leader Nancy Pelosi (D-Calif.).

Rep. Kevin Brady (R-Tex.) will remain Chairman of the Ways and Means Committee, while Rep. Sander Levin (D-Mich.) remains the Ranking Democrat. Rep. Pat Tiberi (Ohio), who chairs the panel's health subcommittee, will remain in that post and there will be a new Ranking Democrat of the panel due to the retirement of Rep. Jim McDermott (D-Wash.).

On the Energy and Commerce Committee, Reps. John Shimkus (R-Ill.) and Greg Walden (R-Ore.) are vying for the Energy and Commerce Committee gavel to succeed term-limited Chairman Rep. Fred Upton (R-Mich.), while Rep. Frank Pallone (D-N.J.) remains the Ranking Democrat. Rep. Brett Guthrie (R-Ky.) is the current vice chair of the panel's health subcommittee, but more senior members could seek to replace the retiring Rep. Joe Pitts (R-Pa.), while Rep. Gene Green (D-Texas) will likely remain the Ranking Democrat. While the exact apportionment of committee assignments has not been determined, it appears with retirements that there will be three open Republican seats and one open Democratic seat on the committee, where the only pharmacist in Congress, Rep. Buddy Carter (R-Ga.), has been vying for a seat.

Pharmacy champions Reps. Rod Blum (R-Iowa), Buddy Carter (R-Ga.), Doug Collins (R-Ga.), Morgan Griffith (R-Va.), Dave Loebsack (D-Iowa), Cathy McMorris Rodgers (R-Wash.), Tom Marino (R-Pa.) Peter Welch (D-Vt.), and Austin Scott (R-Ga.) all won re-election. Unfortunately, pharmacist and California State Senator Jeff Stone (R) was unsuccessful in defeating incumbent Rep. Raul Ruiz (D) in California's 36th Congressional District, with Ruiz winning 60.4% of the vote to Stone's 39.6%

In the States

Governors

Despite an aggressive financial push from Democrats, Republicans cemented their dominance of the nation's 12 gubernatorial races Tuesday, ending the night with their highest number of governorships since 1922. The GOP flipped control of governorships in Missouri, Vermont, and New Hampshire early Wednesday. That means the party will hold the governors' offices in at least 33 states, up from 31. In a shocking night for Democrats on the national stage, these additional losses pushed the party further into the political wilderness in the states, where they have been struggling to compete for years. Just three seats were considered safe for Democrats, who had to defend governorships in five of the seven most competitive races, including contests in states Obama lost in 2012 that Donald Trump would go on to win: West Virginia, Montana, and Missouri. As of Thursday morning, election results are not final in North Carolina.

State Legislatures

This election year has been full of surprises and Election Day itself didn't disappoint. While things were certainly memorable at the top of the ticket, state legislative races also made their mark on Tuesday night. Overall, Republicans bested expectations. Having already reached the peak of control in party history, Republicans will maintain a similar level of control, in a year when many expected Democrats to net seats and chambers.

Three chambers switched from Democratic to Republican control: Kentucky House, Iowa Senate, and Minnesota Senate. Four chambers switched from Republican to Democratic control: New Mexico House, Nevada Assembly, and Nevada Senate. In the Washington Senate, Republicans, however, will have functional control as one Democrat will caucus with the Republicans. Lastly, one chamber will be tied: Connecticut Senate.

Community pharmacy was victorious on the state level, where there will be 42 pharmacists (34 Republicans and eight Democrats) serving in state legislatures, consisting of new and old legislators serving in 23 states. Of the 23 incumbent races, all seats were retained and of the two races with new candidates, both won.

California State Ballot Initiative

Voters in California rejected Proposition 61, which would have capped how much the state's public health programs pay for medicines at the same level as the Department of Veterans Affairs (which receives deep discounts on treatments). The measure failed 46%-54%. Drug companies led the campaign opposing the proposition, raising a record \$109 million to defeat the measure. They argued the initiative could lead to higher drug costs for veterans and seniors if the pharmaceutical industry refused to sell the state medicines at lower prices.

Moving Forward

As we begin to work with many newly elected officials, we will continue in our efforts to address a number of challenging issues for independent community pharmacy. Our focus, and our efforts, have not changed with Tuesday's election. We will continue to confront growing federal budget deficits, additional pressure to reduce federal spending, and an active and aggressive regulatory and rule-making environment. Our job going forward is to ensure that NCPA is well positioned to advocate on behalf of our membership.