

Background

On November 8th, 2016, the United States held a general election to select the next President of the United States. In addition to the Presidency, the full House of Representatives, thirty-four Senators, and twelve Governor Offices were up for election. Overall, the Republican Party had a strong showing, securing the Presidency as well as retaining control of both the House and the Senate. The largest surprise of these elections was the victory for Republican Donald Trump, who secured sufficient votes in the Electoral College to win the Presidency despite trailing in most of the pre-election polls and predictions. Many polls also predicted that Democrats would gain control of the Senate; however, Republicans were able to shore up their base and maintain their majority in both the Senate and the House.

Democrats secured one new seat in the Senate, with Tammy Duckworth defeating incumbent Republican Mark Kirk in Illinois. The Senate race in New Hampshire remains too close to call and the Senate race in Louisiana will go to a runoff in December; however, Republicans are assured to control enough seats to retain the majority. Similarly, Democrats picked up a handful of seats in the House of Representatives, with several races remaining in contention, but Republicans will hold on to sufficient seats to control the House for the 115th Congress, which will run from January 2017 to January 2019.

Additionally, Republicans gained control of three previously Democrat held Governor Mansions, in Missouri, New Hampshire, and Vermont. Nine of the gubernatorial seats up for election were held by the original party, either via re-election of an incumbent or the election of a new individual from the same party as the incumbent. At the time of publication, only North Carolina's Governor election remained too close to call. Democrat Roy Cooper has claimed victory over incumbent Republican Pat McCrory based on a very small reported lead; however, there has not been any official announcement result of this race. As a result of this election, Republicans will hold at least 33 of the state Governor offices, Democrats will hold 15, and there will be one Independent. See the Appendix for a state-by-state summary of Gubernatorial election results.

President-elect Trump will now pivot to transition planning as he seeks to fill his Cabinet and other key Executive Branch positions. The transition team for appointments is headlined by New Jersey Governor Chris Christie, the transition chairman; Former New Jersey state Sen. Rich Bagger; and Former Heritage Foundation President Ed Feulner.

Little has been divulged from the Trump transition team regarding individuals under consideration for Administration posts; however, NASUAD will keep our members informed as decisions are made regarding positions of significant relevance to State Aging, Disability, Medicaid and LTSS services, including posts within the Department of Health and Human Services, such as the Administration for Community Living and the Centers for Medicare and Medicaid Services; the Department of Labor, including the Employment and Training Administration and the Wage and Hour Division; the Department of Justice's Civil Rights Division; and the Department of Education's Rehabilitation Services Administration.

From a policy perspective, there are many unknowns for the new administration. President-elect Trump has not provided detailed plans for his priorities around health and human services (HHS), or long-term services and supports (LTSS) at this time. Throughout his candidacy, Trump proposed increases in certain types of spending, specifically those around infrastructure development and military expenditures, that would be offset from other areas. Proposals have included a 1% annual reduction in domestic discretionary programs, which include the Older Americans Act (OAA), the Social Services Block Grant, and other HHS programs or a reduction in spending on programs that have not been formally reauthorized and are instead kept funded through the annual appropriations process. Until earlier this year, the OAA was an unauthorized program that would meet this criteria for reduction. These proposals are not firm, but should provide an indication of some of the potential priorities and their impacts on HHS and LTSS programs.

However, we can extrapolate some ideas about potential actions regarding human services, health care and LTSS from prior statements. During the campaign the Trump team released its "Contract with America," which included proposals for legislation, regulatory changes, and executive actions that the Administration would undertake within the first 100 days of taking office.¹ Among those proposals is legislation that would, "Fully [repeal] Obamacare and [replace] it with Health Savings Accounts, the ability to purchase health insurance across state lines and [let] states manage Medicaid funds." This proposal has similarities to the health care policy document "A Better Way" that released by Speaker of the House Paul Ryan earlier in the year.²

Based on the proposals outlined in these policy papers, coupled with statements made by Trump and other legislators, it is likely that Republicans will move forward with their plans to repeal the Affordable Care Act's coverage expansions and replace them

¹ <https://assets.donaldjtrump.com/landings/contract/O-TRU-102316-Contractv02.pdf>

² <https://abetterway.speaker.gov/assets/pdf/ABetterWay-HealthCare-PolicyPaper.pdf>
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with private-market reforms intended to promote competition and reduce government regulation of health insurance. Additionally, the proposals promote the establishment of Medicaid block grants, which would end the entitlement nature of the program and reduce Federal regulatory control over State-run Medicaid programs.

The exact nature of block grants, including how they will address population growth and an increase in seniors and people with disabilities utilizing long-term services and supports, is not certain. Speaker Ryan's plan proposes giving states a choice between a capped Federal allotment and a fixed per-capita amount based on enrollment and cost history for individuals covered in several core categories, such as older adults, people with disabilities, children, and able bodied adults.

Beginning in January, Republicans will control both chambers of Congress, as well as the Presidency, and will therefore be able to advance many of their policy priorities. Despite not having a filibuster-proof majority in the Senate, Republicans can pass legislation with a fiscal score using the Budget Reconciliation process. This process, which was used by Democrats to enact the Affordable Care Act in 2010, requires a simple majority in the Senate. Because of this, it is logical to assume that many of the stated priorities will become law in 2017.

Appendix: State Governor Races

State	Incumbent	Result
Delaware	Markell (D), term limited	John Carney (D) - Democrats held.
Indiana	Pence (R), leaving to become Vice President	Holcomb (R) - Republicans held.
Missouri	Nixon (D), term limited	Greitens (R) - Republican pickup.
Montana	Bullock (D), running for re-election	Bullock (D) - Democrats held.
North Carolina	McCrory (R), running for re-election	Too close to call.
North Dakota	Dalrymple (R), not seeking re-election	Burgum (R) - Republicans held.
New Hampshire	Hassan (D), term limited	Sununu (R) - Republican pickup.
Oregon	Brown (D), running for re-election	Brown (D) - Democrats held.
Utah	Herbert (R), running for re-election	Herbert (R) - Republicans held.
Vermont	Shumlin (D), not seeking re-election	Scott (R) - Republican pickup.
Washington	Inslee (D), running for re-election	Inslee (D) - Democrats held.
West Virginia	Tomblin (D), term limited	Justice (D) - Democrats held.