



# + NEWS BRIEF

## THE STATE OF THE UNION ADDRESS AND THE EMPLOYEE BENEFITS MARKET

On Tuesday, Feb. 5, 2019, President Donald Trump delivered the 2019 State of the Union Address (SOTU). The SOTU is an annual message delivered by the president to a joint session of Congress at the beginning of each year. At this year's SOTU, President Trump discussed issues that have the potential to impact the employee benefits industry, including pre-existing conditions, lower prescription drug prices and nationwide paid family leave.

### PRE-EXISTING CONDITION PROTECTION

In a departure from 2018 Department of Justice actions, President Trump announced in the address that people who have pre-existing conditions should receive protections. If the administration holds true to this goal, they will likely find cross-aisle support, as pre-existing condition patient protection was a key campaign issue in the midterm elections.

### LOWER PRESCRIPTION DRUG PRICES

One of President Trump's key campaign promises was to make prescription drugs more affordable for Americans. In the SOTU, he called on Congress to prioritize lowering both health care and prescription drug costs.

The administration has already taken action to ban gag clauses and also require hospitals to post standard procedure pricing information online. Most recently, they proposed a rule that would eliminate certain drug rebates for pharmacy benefit managers and potentially increase savings for consumers.

With health care and prescription drug costs being a pain point for the American public, any steps made

by the government are a step in the right direction. However, how the steps that are taken pan out will have to be seen.

### NATIONWIDE PAID FAMILY LEAVE

President Trump called again for federal paid family leave in the SOTU. Public pressure continues to mount over the issue of paid family leave, and states are proposing and passing their own versions of this type of leave. While the specifics of the president's plan remain unknown, including how it would be funded, this issue would have cross-aisle support.

### CONCLUSION

Historically, the SOTU is meant to be uplifting and is designed to serve as an olive branch to bring a divided Congress together. It's important to remember that it's just a speech, and what actions will come out of it will remain to be seen.

The issues discussed above are just a few of the issues the president addressed in his SOTU. These initiatives will potentially pair with the immigration, trade and tax reforms that have shaped the way that employers do business in the Trump administration era.

We will continue to monitor any developments on issues and provide updates as necessary. For more information, contact MJ Insurance today.

