

NEWS BRIEF

Provided by: Franconia Insurance & Financial Services

President Biden Discusses Employee Benefits and the Workplace in State of the Union Address

On Tuesday, Feb. 7, President Joe Biden delivered the 2023 State of the Union (SOTU) address. The SOTU address is an annual speech the president delivers near the beginning of each year, outlining how the country is doing and identifying future initiatives the current administration wants to pursue. For employers, the SOTU address is important as it often provides insight into proposed plans and initiatives relevant to the workplace. The 2023 SOTU address focused on health care and the economy. Read on for the main takeaways from the speech.

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“Let’s also make sure working parents can afford to raise a family with sick days, paid family and medical leave, and affordable child care that will enable millions more people to go to work.”

- President Biden, in the SOTU address

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Workplace Changes

President Biden pushed for passing the Protecting the Right to Organize Act (or PRO Act), which strengthens the federal laws protecting employees’ rights to organize and collectively bargain.

Additionally, the administration advocated for sick days, paid family and medical leave and affordable child care. He also mentioned a need to restore the full child tax credit to offer parents more breathing room. President Biden stressed that steps must be taken to help working parents afford to raise a family and access more benefits. Ultimately, it was a call for guaranteeing all workers a living wage.

The administration is also moving to ban noncompete agreements to make organizations compete for workers and pay them what they’re worth, removing time limitations on industries or companies after leaving a job.

Health Care Prices

While progress has been made in lowering health care costs, there is still more work to be done. President Biden outlined steps to strengthen Medicare, Medicaid and the Affordable Care Act (or ACA), as well as give more families the peace of mind of affordable health care.

If drug companies hike prescription drug prices faster than inflation, they will have to pay the difference back to Medicare. And as part of a new prescription drug law that goes into effect in 2025, Medicare will cap out-of-pocket pharmacy costs at \$2,000 per year under Part D. Such changes are intended to help elderly individuals save more on their health care-related expenses. Additionally, Medicare beneficiaries will pay no more than \$35 per month



per insulin prescription. President Biden called on Congress to extend this protection to all Americans.

Mental Health Crisis

One of the more detailed talking points in last year's SOTU address focused on handling the mental health crisis and the White House's related [implementation strategy](#). While the administration made strides in 2022, including launching the 988 National Suicide and Crisis Lifeline and helping address the negative impacts of social media on today's youth, it plans to continue tackling the mental health crisis in 2023 by:

- Creating healthy environments, such as safe online platforms for children and resources to support and build resilience in the health care workforce
- Connecting more Americans to care (e.g., affordable and accessible health insurance, integrated mental health services in schools and expanded telehealth access)
- Strengthening health care system capacity as the nation experiences a behavioral health professional shortage

Mental health is a serious concern for many Americans. The COVID-19 pandemic significantly impacted individuals' mental health and substance use, with such challenges likely to continue as the country navigates economic uncertainty.

Veteran Support

Over the past year, the administration has expanded benefits for veterans, their caregivers and survivors. In 2022, the Department of Veterans Affairs processed a record 1.7 million veteran claims and delivered \$128 billion in earned benefits to 6.1 million veterans and survivors. The administration plans to continue those efforts by focusing on:

- Reducing veteran suicide
- Expanding access to peer support, including mental health services

- Ensuring access to affordable, stable housing for low-income veterans
- Delivering job training for veterans and their spouses

Overall, these plans are meant to expand support and outreach to help the nation's veterans.

Reproductive Health and Equality

President Biden called on Congress to protect people's rights and freedoms. First, he urged Congress to restore the right the Supreme Court took away last year and codify *Roe v. Wade*. As more than a dozen states enforce abortion bans, President Biden reinforced that he would veto any national abortion ban passed by Congress.

Additionally, the administration called for Congress to pass the Equality Act to ensure LGBTQ Americans, especially young transgender people, can live safely.

Opioid and Overdose Epidemic

Another significant health care talking point involved the opioid and overdose epidemic. While overdose deaths and poisonings have decreased for five consecutive months, these drug-related deaths remain high and are primarily caused by fentanyl. As a result, the administration plans to address this by:

- Disrupting the trafficking, distribution and sale of fentanyl
- Expanding access to prevention, treatment and recovery for substance use disorders

President Biden also highlighted the Mainstreaming Addiction Treatment Act (or MAT Act) passing, which removes barriers for health care providers prescribing life-saving medications for opioid use.

Cancer Moonshot

Cancer remains the second leading cause of death in America. Last year, President Biden announced a plan to "supercharge the Cancer Moonshot," a program that aims to cut cancer's death rate by at least half over the next 25 years and improve the experience of

people and their families living with and surviving cancer. Over the past year, Cancer Moonshot announced nearly 30 new federal programs, policies and resources to close gaps, decrease preventable cancers and support patients and caregivers.

President Biden called on Congress to drive further progress this year by:

- Urging the reauthorization of the National Cancer Act to update and modernize the nation's cancer research and care systems
- Ensuring patient navigation services are covered benefits going forward for as many people as possible
- Helping people avoid smoking in the first place and supporting Americans who want to quit

Additionally, President Biden and Congress have already provided an initial investment of \$2.5 billion to fund the Advanced Research Projects Agency for Health (ARPA-H) to drive breakthroughs in cancer, Alzheimer's disease, diabetes and other diseases. The Inflation Reduction Act will also lower prescription drug costs for thousands of cancer patients with Medicare coverage.

Economic Recovery

Part of the administration's efforts for a strong economic recovery includes bringing manufacturing operations back to the United States. Additionally, President Biden touted the Junk Fee Prevention Act to stop excessive junk fees, which are hidden surcharges from companies associated with the purchase of their products or services. Junk fees can make it more challenging for Americans to pay their bills or afford other expenses.

COVID-19 Emergency Periods

Prior to the SOTU address, the administration announced plans to end the COVID-19 public health emergency (PHE) and national emergency on May 11, 2023. The end of the COVID-19 emergency periods

triggers the end of numerous measures related to the federal government's pandemic response, including some requirements for employer-sponsored health plans. For example, when the PHE ends, health plans will no longer be required to cover COVID-19 diagnostic tests and related services without cost sharing. Non-grandfathered health plans will still be required to cover recommended preventive services, including COVID-19 immunizations, without cost sharing; however, this coverage requirement will be limited to in-network providers.

What's Next?

The SOTU address serves mainly as a presidential wish list; it's a chance for the current administration to outline where it wants to take the country over the next year. It's unreasonable to speculate on how some of the agenda items may take shape at this time. As such, employers should look for more details about the SOTU proposals in the coming weeks and months. While some of the discussed initiatives have the potential to significantly affect the workplace, these impacts won't be evident until more information is released.

Franconia Insurance & Financial Services will keep you apprised of any additional government updates and other pertinent matters. In the meantime, contact us for additional workplace guidance.