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Fitch: 2024 Election’s Impact on U.S. Healthcare Ratings

Fitch Ratings does not foresee immediate credit implications from the November 2024 elections despite the wide-reaching nature of federal policy within healthcare. The policies being discussed are less dramatic than those in 2016 when Republicans were focused on repealing the Affordable Care Act (ACA) and in 2020 when Democrats focused on universal healthcare. Social Policies’ Important First-Order Effects Healthcare could be affected by potential social policy reforms, though meaningful changes are less likely absent Republicans sweeping Congress. More Republican control increases the chance of changes to entitlement programs, the ACA and the Inflation Reduction Act (IRA). The latter would be a moderate credit positive for pharmaceutical manufacturers should the drug price elements be repealed whereas changes to Medicaid and the ACA could pressure provider margins. Protectionism’s Second-Order Effects Loom Fitch believes the responses by countries adversely affected by heightened protectionist policies could have a larger impact on the credit profiles of U.S. healthcare companies than the direct effects. Insurers and providers are the most insulated from geopolitical disputes whereas pharmaceutical manufacturers, medical device manufacturers, diagnostics companies and the healthcare supply chain have significant upstream and downstream exposure. Fitch believes companies in these sectors could be adversely affected by countries’ responses to tariffs and legislation.

Access Report

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