BIOTECH VOTES 2020
Election Preview Report

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Executive Summary

With the elections just weeks away, BIO is providing an in-depth analysis on the political races that matter most, from the top-of the-ticket, through the Senate and House, and down the ballot to pivotal state races as well as an analysis on the presidential election, the hurdles between now and election day, "must-pass" legislation, a potential Congressional COVID relief package, and the post-presidential conventions landscape.

50 Days Until the Election

- **State of the Races:**

  Key House of Representatives Races

  Senate Races to Watch

  Governors & State Legislative Races

  Presidential Race

- Given all this uncertainty and unrest, all eyes are on the 2020 election. BIO is working hard to fully prepare our members for all scenario planning to ensure that 2021 is a productive year and that we can all work well with all the legislators on a state, federal and presidential level. We hope the following information provides helpful insights into what is guaranteed to be a very exciting November and beyond!

Breakthroughs are on the Ballot.

Find your polling location | Register to vote | Learn about candidates
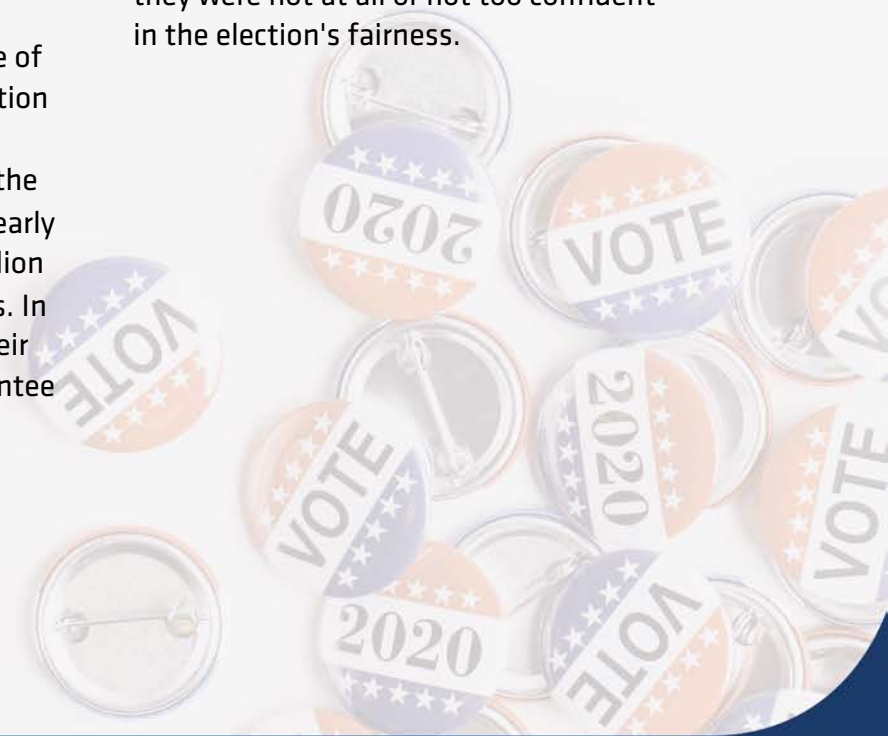
Visit bio.org/vote or Text VOTE to 98974

2020 Election Landscape

- The 2020 elections will be one for the record books. This year highly contested elections are coupled with a pandemic, economic upheaval and social protests around the country. Who wins the White House will have ramifications around the world.

- This is the first election in over 100 years that has been held in the midst of a pandemic, therefore voter trends are difficult to figure out. For example, while the economy is consistently a top voting issue along with health care and Supreme Court appointments, this year, 62% of voters say that the COVID-19 outbreak is a very important factor in how they vote (Pew Research Center). Additionally, as the economy is in severe upheaval and job loss has been severe, that would normally devastate an incumbent President, however, President Trump is still getting decent marks for his handling of the economy.

- Social unrest and a sense that the country is going in the wrong direction is also going to be a major factor in this election, in a way that it has not been before. In the latest Gallup Poll, only 13% of Americans thought the US were "satisfied" with the direction of the country and almost two-thirds supported the protests over the summer. Comparatively, 60% of Americans viewed the 1963 civil rights rallies unfavorably and only 44% supported Occupy Wall Street. (Washington Post)

2020 Election Landscape

- The act of voting will also be very different in 2020. New data from the NBC/SurveyMonkey Weekly Tracking Poll shows that 52% of Americans say they will vote early – 19% of those in-person and 33% by mail. About 33% say they will vote in person on Election Day, and 11 percent say they might not vote at all.

- When you break this down by party affiliation, these differences are more stark – 54% of Republicans plan to vote in-person on Election Day vs 22% of Democrats. 50% of Democrats plan to vote by mail.

- Another 21% of Republicans say they'll vote early, in person, and 21% of Democrats agree. Independents are much more likely to track with Democrats: 20 percent of them say they'll vote in person on Election Day, 13 percent say they'll vote early, in person, and 29 percent say they'll vote by mail.

- According to a report after the 2016 election by the U.S. Election Assistance Commission, the share of voters who vote in person on Election Day has declined steadily over the past decade. From 2004 to 2016, the number of Americans who voted early more than doubled, from 10.2 million early ballots to 24.1 million ballots. In 2016, about 4 in 10 people cast their ballots through early voting, absentee voting or voting by mail.

- However, a majority of Americans also remain doubtful that the November election will be conducted in a fair and equal way. Fifty-seven percent of Americans say they are not too confident or not at all confident that the election will be conducted fairly, while 41 percent say they are very or somewhat confident in the equity of the election. In August, 55 percent of Americans said they were not at all or not too confident in the election's fairness.

Social Unrest Underscores Volatile Election Season

Social Justice Movements Inspired by the Death of George Floyd in Late May 2020 Have Brought Racial Issues to the Forefront of the Policy Debates

Public Opinion on American Society: According to a *Wall Street Journal / NBC News Poll*, nearly 60% of Americans said that Black people face discrimination, and just over half said so of Hispanics, about double the shares from 2008.

Importance to Presidential Vote: According to Pew Research, 52% of registered voters say "Race and ethnic inequality" is "very important" to their vote in 2020, more than Immigration, economic inequality, climate change, and abortion.

Many believe President Trump is inflaming the controversy: A new ABC News/Ipsos survey found that most Americans think President Trump is making the situation worse, while majorities think Vice President Biden would do a better job handling the protests, racial discrimination and uniting the country.

COVID-19 Has Upended the World

There are currently over 6M confirmed cases of COVID in the US and over 26M globally.

Q2 2020 Sharpest economic contraction in modern American history as GDP decreased at an annual rate of 32.9. COVID-19 will inflict long-term damage shrinking the economy by $7.9 trillion over the next decade (CBO).

Mental health is affected. In addition to the ~170,000 deaths, one in four young adults (25%) has considered suicide in the last year and societal impact of kids out of school remains unknown.

There are currently over 700 unique therapies in development, according to BIO's COVID-19 Therapeutic Development Tracker.

It is unlikely that there will be a vaccine before the 2020 elections in November and the FDA and vaccine makers are working to reassure the public about the safety of potential vaccines.

9 ways Covid-19 may forever upend the U.S. health care industry
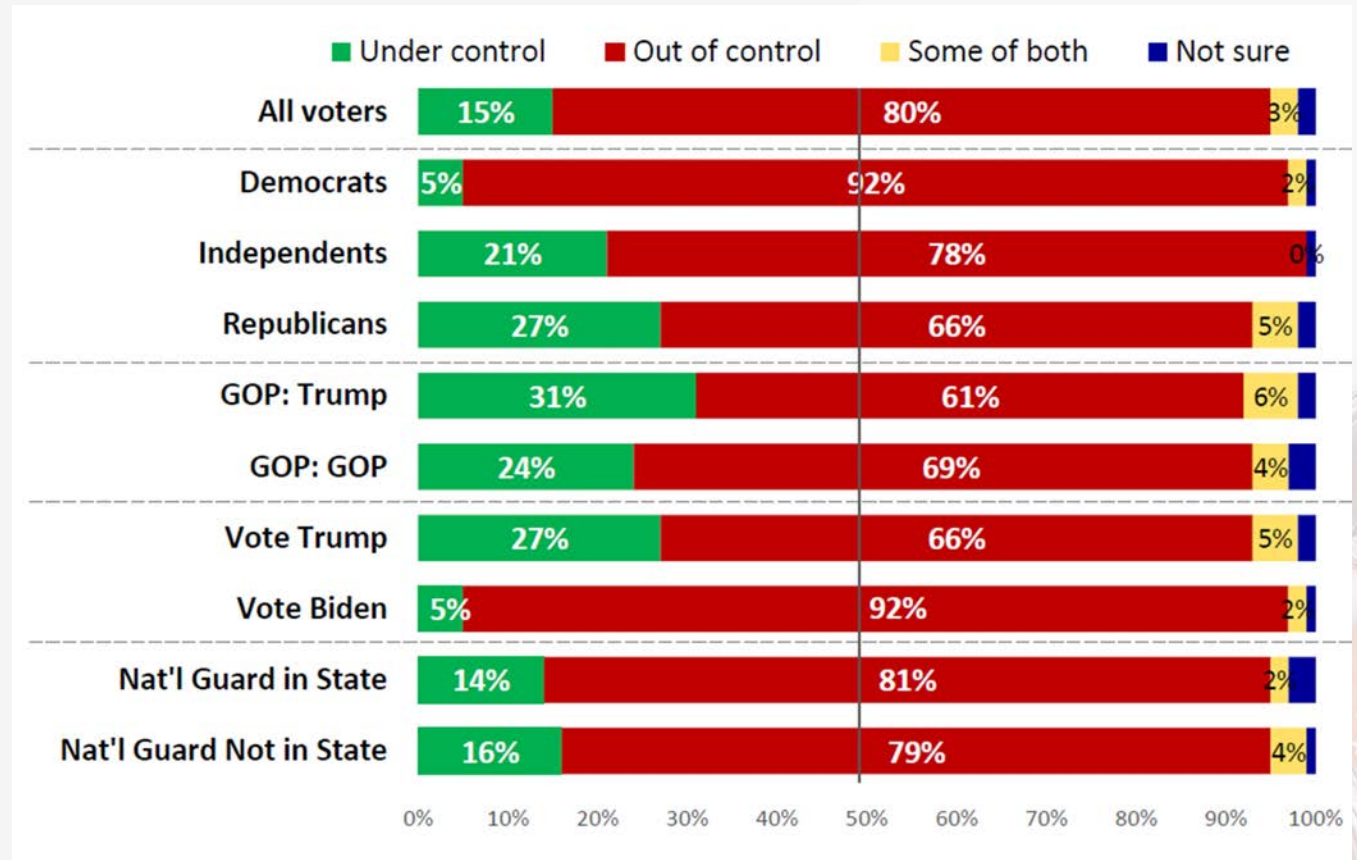
By LEV FACHER @levfacher / MAY 19, 2020

1	How Covid-19 has accelerated telemedicine 'by a decade'
2	Another step away from traditional employer-based health insurance
3	Out with nursing homes and assisted living facilities – and in with home health aides
4	An inflection point on racial disparities
5	Yet another reckoning on drug affordability, with a chance for pharma to rehab its reputation
6	American drugs, made once again in American factories
7	A new era of health care preparedness
8	Allowing nonphysicians, like nurses, nurse practitioners, and physician assistants to play a bigger role in care
9	Who makes money in health care – and how they make it

Source: Todd Strategy "Political and Election Update" September 8, 2020

"Do we want to RESTORE America before COVID-19, or do we want to RESTRUCTURE the country because of it?"

80% of Americans think the country is out of control, but the impact on elections is unclear.

President Trump's approval ratings have not changed substantially, despite any of the 2020 unrest.

	Under control	Out of control	Some of both	Not sure
All voters	15%	80%	3%	
Democrats	5%	92%	2%	
Independents	21%	78%	0%	
Republicans	27%	66%	5%	
GOP: Trump	31%	61%	6%	
GOP: GOP	24%	69%	4%	
Vote Trump	27%	66%	5%	
Vote Biden	5%	92%	2%	
Nat'l Guard in State	14%	81%	2%	
Nat'l Guard Not in State	16%	79%	4%	

Three Key Congressional Priorities To Conclude 2020

Coronavirus Relief Package

What It Is: Both Republicans (HEALS Act) and Democrats (HEROES Act) are committed to another coronavirus relief package but have yet to agree to a deal

Deadline: Both sides presumably want to have a deal before Election Day (November 3, 2020) but there is no strict deadline

Government Funding Appropriations

What It Is: The annual appropriations process for FY2021 has not been completed yet as the House has passed 11 of 12 appropriations bills while the Senate has not passed one

Deadline: Current government funding expires on September 30, 2020 (end of the fiscal year)

FY 2021 National Defense Authorization Act (NDAA)

What It Is: NDAA appropriates funds for DoD, Intelligence Community, and other defense-related activities and has come to be expected annually as FY2020 was the 59th consecutive FY for which a defense authorization was enacted

Deadline: Completion of the conference report is not on a specified timeline, but many of the authorities provided by the NDAA expire at the end of the fiscal year

Source: Todd Strategy "Political and Election Update" September 8, 2020

Tentative Legislative Calendar Through December 2020

With both Chambers in recess through August and a limited legislative calendar, Congress will be hard-pressed addressing its priorities

September

Sun	M	Tu	Wed	Th	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October

Sun	M	Tu	Wed	Th	Fri	Sat
					1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

Key

	None in Session
	House Only
	Senate Only
	Both in Session

November

Sun	M	Tu	Wed	Th	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	28	29	30		

December

Sun	M	Tu	Wed	Th	Fri	Sat
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Notable Dates: September 30 (Shutdown deadline date), November 3 (Election Day)
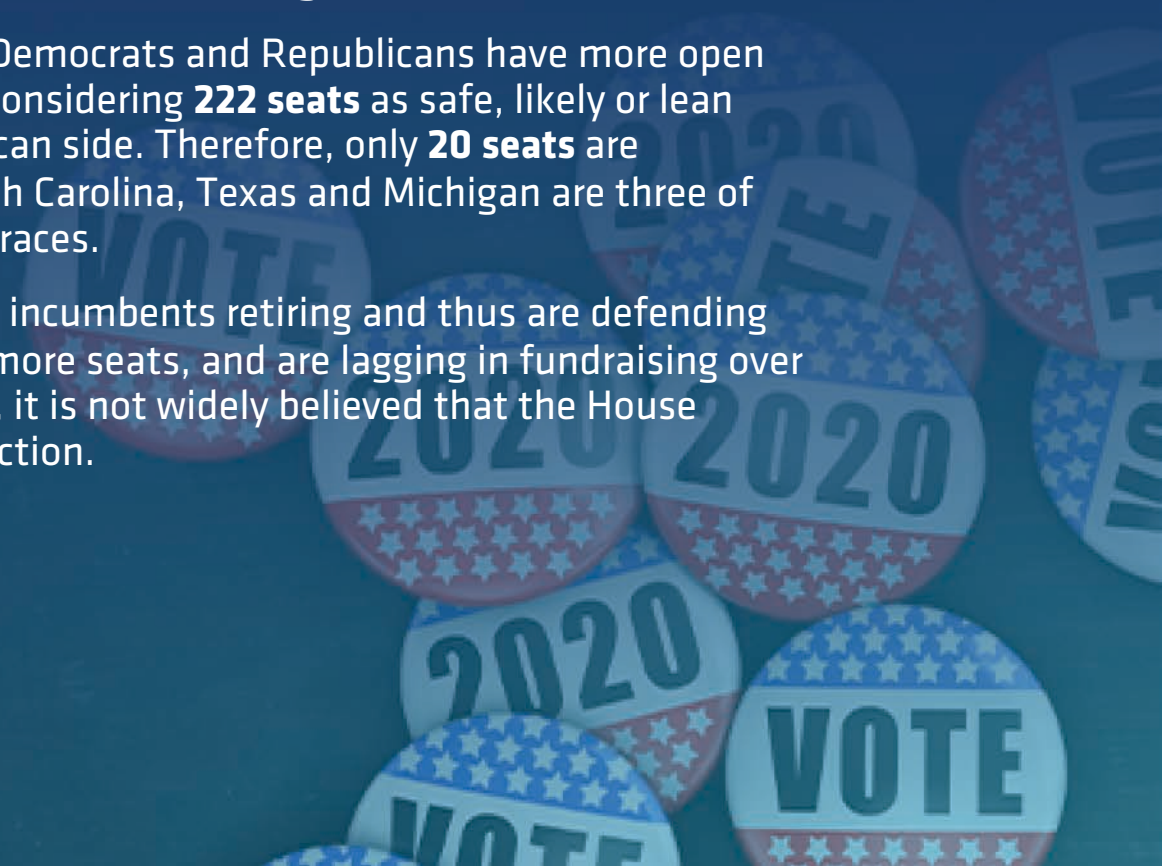
The House of Representatives

All **435 House seats** are up for reelection every two years. Assuming no vacancies or third parties, then each party needs a minimum of **28 seats** to secure a majority.

Democrats currently hold **232 seats** and Republicans have **198**, with one Libertarian and four vacant seats.

For Democrats to maintain the majority, they can't have a net loss of more than **15 seats** and Republicans would have to have a net gain of **16 seats**.

The electoral environment favors Democrats and Republicans have more open seats. Most political analysts are considering **222 seats** as safe, likely or lean Democrat, and **193** on the Republican side. Therefore, only **20 seats** are considered to be truly in play. North Carolina, Texas and Michigan are three of the top states to watch for House races.

Given that Republicans have more incumbents retiring and thus are defending more open seats, have to pick up more seats, and are lagging in fundraising over many of the Democrat candidates, it is not widely believed that the House control will change in the 2020 election.

House Balance of Power

Nancy Pelosi
Speaker of the House

Ben Ray Lujan
Assistant Speaker
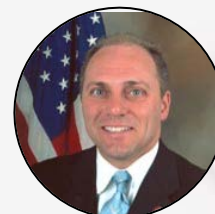
Steny Hoyer
Assistant Speaker

James Clyburn
Majority Whip

Hakeem Jeffries
Caucus Chair

232 Democrats
198 Republicans

Kevin McCarthy
Minority Leader

Steve Scalise
Minority Whip

Liz Cheney
Conference Chair

Gary Palmer
Policy Committee Chair

*The four vacancies are in CA-50, due to the resignation of Duncan Hunter (R); GA-05 due to the death of John Lewis (D); NC-11 due to the resignation of Mark Meadows (R); and TX-04 due to the resignation of John Ratcliffe (R)

House Member Turnover

55 House Member Turnover   15 Democrats   40 Republicans

Resignations, deaths & special elections
(11 total, 3 Democrats, 8 Republicans)

- CA-25 – Katie Hill (D) resigned Nov. 3, 2019; Mike Garcia (R) elected May 12, 2020
- CA-50 – Duncan Hunter (R) resigned Jan. 13, 2020; no special election
- GA-05 – John Lewis (D) died July 17, 2020; special election scheduled Sept. 29, 2020
- MD-07 – Elijah Cummings (D) died Oct. 17, 2019; Kweisi Mfume (D) elected April 28, 2020
- NC-03 – Walter Jones (R) died Feb. 10, 2019; Greg Murphy (R) elected Sept. 10, 2019
- NC-09 – Dan Bishop (R) elected Sept. 10, 2019 after seat wasn't filled in 2018 election
- NC-11 – Mark Meadows (R) resigned March 30, 2020; no special election scheduled
- NY-27 – Chris Collins (R) resigned Sept. 30, 2019; Chris Jacobs (R) elected June 23, 2020
- PA-12 – Tom Marino (R) resigned Jan. 23, 2019; Fred Keller (R) elected May 21, 2019
- TX-04 – John Ratcliffe (R) resigned May 22, 2020; no special election scheduled
- WI-07 – Sean Duffy resigned Sept. 23, 2019; Tom Tiffany (R) elected May 12, 2020

Defeated in Primary
(7 total, 3 Democrats, 4 Republicans)

- CO-03 – Scott Tipton (R)
- IA-04 – Steve King (R)
- IL-03 – Dan Lipinski (D)
- KS-02 – Steve Watkins (R)
- MO-01 – Lacy Clay (D)
- NY-16 – Eliot Engel (D)
- VA-05 – Denver Riggleman (R)

Seeking other office
(9 total, 3 Democrats, 6 Republicans)

- AL-01 – Bradley Byrne (R), Senate (lost in primary)
- CA-08 – Paul Cook (R), elected in March to San Bernardino County Board of Supervisors
- GA-09 – Doug Collins (R), Senate
- KS-01 – Roger Marshall (R), Senate
- MA-04 – Joe Kennedy (D), Senate (lost in primary)
- MT-AL – Greg Gianforte (R), governor
- NM-03 – Ben Ray Luján (D), Senate
- UT-01 – Rob Bishop (R), lieutenant governor (lost in primary)
- WA-10 – Denny Heck (D), lieutenant governor

Not Seeking Re-Election
(28 total, 6 Democrats, 22 Republicans)

- AL-02 – Martha Roby (R)
- CA-53 – Susan Davis (D)
- FL-03 – Ted Yoho (R)
- FL-19 – Francis Rooney (R)
- GA-07 – Rob Woodall (R)
- GA-14 – Tom Graves (R)
- HI-02 – Tulsi Gabbard (D)
- IA-02 – Dave Loebsack (D)
- IL-15 – John Shimkus (R)
- IN-01 – Pete Visclosky (D)
- IN-05 – Susan Brooks (R)
- LA-05 – Ralph Abraham (R)
- MI-03 – Justin Amash (L)
- MI-10 – Paul Mitchell (R)
- NC-02 – George Holding (R)
- NC-06 – Mark Walker (R)
- NY-02 – Peter King (R)
- NY-15 – José Serrano (D)
- NY-17 – Nita Lowey (D)
- OR-02 – Greg Walden (R)
- TN-01 – Phil Roe (R)
- TX-11 – Michael Conaway (R)
- TX-13 – Mac Thornberry (R)
- TX-17 – Bill Flores (R)
- TX-22 – Pete Olson (R)
- TX-23 – Will Hurd (R)
- TX-24 – Kenny Marchant (R)
- WI-05 – Jim Sensenbrenner (R)

Competitive House Races

Likely Democrat	Lean Democrat	Democratic Toss-up	Republican Toss-up	Lean Republican	Likely Republican
CA-10 Harder	AZ-01 O'Halleran	CA-21 Cox	AZ-06 Schweikert	AK-AL Young	AR-02 Hill
CA-39 Cisneros	CA-48 Rouda	FL-26 Mucarsel-Powell	CA-25 Garcia	FL-15 Spano	CA-04 McClintock
FL-27 Shalala	GA-06 McBath	IA-01 Finkenauer	IN-05 Open	IL-13 Davis	CA-22 Nunes
IL-14 Underwood	GA-07 Open	IA-02 Open	MO-02 Wagner	MI-03 Open	CO-03 Open
IL-17 Bustos	MI-08 Slotkin	IA-03 Axne	NE-02 Bacon	MI-06 Upton	FL-16 Buchanan
KS-03 Davids	MI-11 Stevens	ME-02 Golden	NJ-02 Van Drew	MN-01 Hagedorn	FL-18 Mast
NC-02 Open	MN-02 Craig	MN-07 Peterson	NY-02 Open	MT-AL Open	KS-02 Open
NC-06 Open	NJ-07 Malinowski	NJ-03 Kim	OH-01 Chabot	NC-08 Hudson	KY-06 Barr
NH-01 Pappas	NV-03 Lee	NM-02 Torres Small	PA-10 Perry	NY-01 Zeldin	NC-09 Bishop
NJ-05 Gottheimer	NY-19 Delgado	NY-11 Rose	TX-21 Roy	NY-24 Katko	NC-11 Vacant
NV-04 Horsford	PA-07 Wild	NY-22 Brindisi	TX-22 Open	PA-01 Fitzpatrick	OH-10 Turner
NY-18 Maloney	PA-08 Cartwright	OK-05 Horn	TX-24 Open	TX-03 Taylor	OH-12 Balderson
OR-04 DeFazio	TX-07 Fletcher	SC-01 Cunningham		TX-10 McCaul	TX-02 Crenshaw
PA-17 Lamb	TX-23 Open	UT-04 McAdams		VA-05 Open	TX-06 Wright
TX-32 Allred		VA-02 Luria			TX-25 Williams
WA-08 Schrier		VA-07 Spanberger			TX-31 Carter
WI-03 Kind					WA-03 H. Beutler
15 Democrat **2 Republican**	**12 Democrat** **2 Republican**	**16 Democrat**	**12 Republican**	**13 Republican** **1 Independent**	**17 Republican**

Note: Italics denote freshman lawmakers
Source: Race ratings from Cook Political Report; as of Aug. 21

Republicans Aim to Defeat Trump-District Democrats

- Despite the odds, Republicans are not going down without a fight.

- House GOP released a list of more than 50 seats they intend to target among them are 30 districts that Trump won in 2016 (underlined)

- 39 members are facing their first re-election bids

2020 NRCC Targets List (53)

AZ-01 – T. O'Halleran	FL-07 – Stephanie Murphy	IL-14 – L. Underwood	NH-01 – Chris Pappas	NY-18 – Sean Maloney	TX-07 – Lizzie Fletcher
AZ-02 – A. Kirkpatrick	FL-13 – Charlie Crist	IL-17 – Cheri Bustos	NJ-03 – Andy Kim	NY-19 – Antonio Delgado	TX-32 – Colin Allred
CA-10 – Josh Harder	FL-26 – D. Mucarsel-Powell	KS-03 – Sharice Davids	NJ-05 – Josh Gottheimer	NY-22 – Anthony Brindisi	UT-04 – Ben McAdams
CA-21 – TJ Cox	FL-27 – Donna Shalala	ME-02 – Jared Golden	NJ-07 – Tom Malinowski	OK-05 – Kendra Horn	VA-02 – Elaine Luria
CA-39 – Gil Cisneros	GA-06 – Lucy McBath	MI-08 – Elissa Slotkin	NJ-11 – Mikie Sherrill	OR-04 – Peter DeFazio	VA-07 – A. Spanberger
CA-45 – Katie Porter	IA-01 – Abby Finkenauer	MI-11 – Haley Stevens	NM-02 – Xochitl Torres Small	PA-07 – Susan Wild	VA-10 – Jennifer Wexton
CA-48 – Harley Rouda	IA-02 – (D. Loebsack, retiring)	MN-02 – Angie Craig	NV-03 – Susie Lee	PA-08 – Matt Cartwright	WA-08 – Kim Schrier
CA-49 – Mike Levin	IA-03 – Cindy Axne	MN-03 – Dean Phillips	NV-04 – Steven Horsford	PA-17 – Conor Lamb	WI-03 – Ron Kind
CO-06 – Jason Crow	IL-06 – Sean Casten	MN-07 – Collin Peterson	NY-11 – Max Rose	SC-01 – Joe Cunningham	

Note: Republicans won CA-25, formerly held by Katie Hill (D), in a May 2020 special election; Horsford earlier served one term, but won his seat back in 2018
Source: National Republican Congressional Committee press release Feb. 8, 2019.

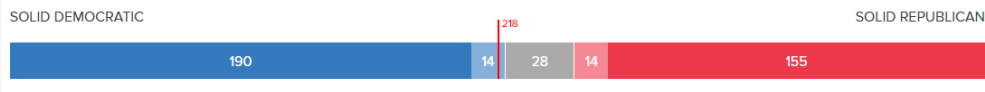# Democrats are Aiming to Gain Seats

- House Democrats are aiming to protect their freshmen – all but 3 are on the Democratic Congressional Campaign Committee vulnerable list

- House Democrats have a list of 42 competitive seats they intend to aggressively defend while also going on the offensive to pick up Republican seats

Source: National Republican Congressional Committee "Young Guns list," as of Aug. 12

Forecast: Democrats Are Frontrunners to Maintain Control

According to The Cook Political Report's August 21, 2020 House Ratings, **DEMOCRATS ARE CURRENTLY PROJECTED TO MAINTAIN THEIR MAJORITY**, but 28 Toss Up Seats remain in play

SOLID DEMOCRATIC | 218 | SOLID REPUBLICAN

| 190 | 14 | 28 | 14 | 155 |

Cook Political Report Projection, August 21, 2020

Democrat Held Toss-ups	GOP Held Toss Ups
CA-21 (Cox)	AZ-06 (Schweikert)
FL-26 (Mucarsel-Powell)	CA-25 (Garcia)
IA-01 (Finkenauer)	IN-05 (Open)
IA-02 (Open)	MO-02 (Wagner)
IA-03 (Axne)	NE-02 (Bacon)
ME-02 (Golden)	NJ-02 (Van Drew)
MN-07 (Peterson)	NY-02 (Open)
NJ-03 (Kim)	OH-01 (Chabot)
NM-02 (Torres Small)	PA-10 (Perry)
NY-11 (Rose)	TX-21 (Roy)
NY-22 (Brindisi)	TX-22 (Open)
OK-05 (Horn)	TX-24 (Open)
SC-01 (Cunningham)	
UT-04 (McAdams)	
VA-02 (Luria)	
VA-07 (Spanberger)	

The Senate

- Terms in the Senate are six years long and every two years approximately one-third of the 100 seats are up for re-election. **In 2020, it is 35 seats.**

- Republicans have a **53 seat** majority over the Democrats **45** minority. Additionally, there are two independents who caucus with the Democrats.

- For the Republicans to maintain control of the Senate, they can't have a net loss of more than **two seats**. For Democrats to gain control, they would need a net gain of **four seats**. If the Senate goes to 50-50, the control would go to the party that is in the White House.

- The fight for the Senate is really heating up with more seats considered in play and Trump declining in the polls, as well as key Republican retirements.

- Most experts consider control of the Senate to now be a "toss-up."

Senate Balance of Power

- Trump's re-election outlook and each party's ability to field strong candidates are key

  - If Democrats net four seats, they will take control of the Senate; netting three seats would result in a tie and the majority would be decided by the vice president's party

  - Democrats last defeated more than two Republican senators in 2008, when Barack Obama's victory helped Democrats beat five GOP incumbents

Senate Casualty List:

Resigned: (1)
- Johnny Isakson (R-Ga.) resigned Dec. 31, 2019; Kelly Loeffler (R) appointed until special election

Not seeking re-election: (4)
- Lamar Alexander (R-Tenn.)
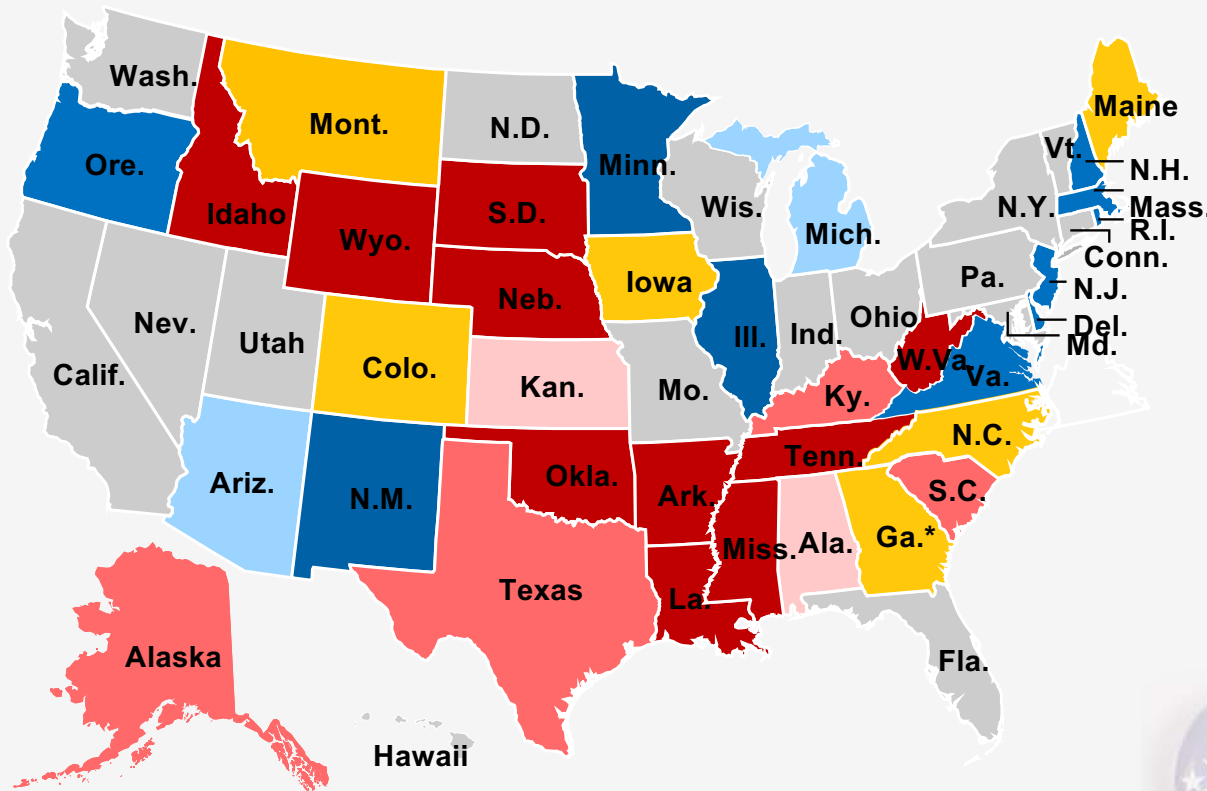- Mike Enzi (R-Wyo.)
- Pat Roberts (R-Kan.)
- Tom Udall (D-N.M.)

53 Republicans

47 Democrats

Source: Bloomberg Government
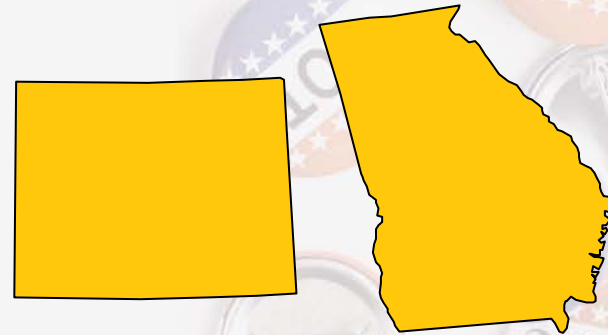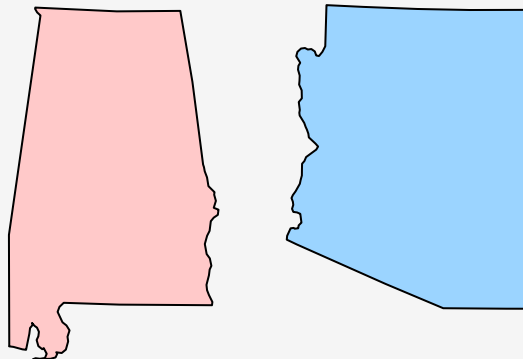Note: Yellow reflects independents who caucus with Democrats

2020 Senate Elections Map

35 Senate seats up for election:
Republicans hold 23
Democrats hold 12

President Trump, in 2016, carried all but two states where Republicans are defending Senate seats in 2020; he won 15 of those states by at least 14 percentage points

Pollsters are beginning to do split ticket polling to see what, if any, split ticket voting will occur in the swing states

Legend:
- Democratic-held seat
- Democratic-held seat – state won by Trump in 2016
- Republican-held seat
- Republican-held seat – state won by Clinton in 2016

Source: U.S. Senate; Bloomberg Government
Note: Georgia has one regularly scheduled election and one special election; Arizona has a special election

Senate Race Forecast

Legend:
- Solid Democratic
- Likely Democratic
- Lean Democratic
- Solid Republican
- Likely Republican
- Lean Republican
- Toss up
- No race

Alabama: Doug Jones (D) vs. Tommy Tuberville (R)

Arizona: Martha McSally (R) vs. Mark Kelly (D)

Colorado: Cory Gardner (R) vs. John Hickenlooper (D)

Georgia:
- David Perdue (R) vs. Jon Ossoff (D)
- Kelly Loeffler (R) vs Rep. Doug Collins (R) et al

Iowa: Joni Ernst (R) vs. Theresa Greenfield (D)

Kansas: Rep. Roger (R) vs. Barbara Bollier (D)

Maine: Susan Collins (R) vs. Sara Gideon (D)

Michigan: Gary Peters (D) vs. John James (R)

Montana: Steve Daines (R) vs. Gov. Steve Bullock (D)

North Carolina: Thom Tillis (R) vs. Cal Cunningham

Note: *Georgia's regular election is rated a toss-up, the special election is rated Leans Republican
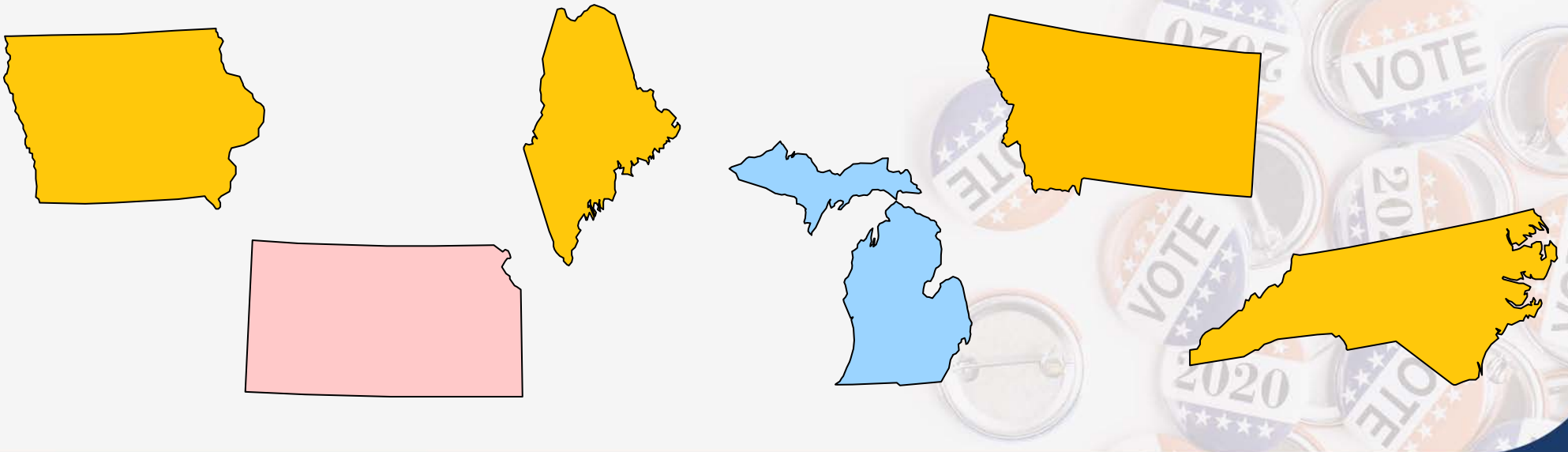Source: Race ratings from Cook Political Report; as of July 23

Senate Races to Watch (1)

- **Alabama:** **Doug Jones (D)** is an underdog against **Tommy Tuberville (R)**, the Trump-backed former Auburn football coach who defeated ex-AG Jeff Sessions in July runoff

- **Arizona:** **Martha McSally (R)**, who lost a 2018 Senate race and was subsequently appointed to fill John McCain's (R) seat, has lagged in polls against **Mark Kelly**, a Navy veteran and former astronaut who's married to former Rep. Gabrielle Giffords (D); Arizona is a presidential battleground state

- **Colorado:** **Cory Gardner (R)** is emphasizing the Great American Outdoors Act, a major conservation measure signed into law in August, as he faces former **Gov. John Hickenlooper** in one of two states with a Republican incumbent that Hillary Clinton carried in 2016

- **Georgia:** Two races are on the ballot:

  - **David Perdue (R)** is seeking a second term against Jon Ossoff, who raised a record sum but lost a high-profile 2017 House special election

  - **Kelly Loeffler (R)**, appointed to other seat, faces Rep. Doug Collins (R), DSCC-backed Raphael Warnock and others in a special election jungle primary in November, with a January runoff likely

Senate Races to Watch (2)

- **Iowa:** **Joni Ernst (R)** faces businesswoman Theresa Greenfield in a state won by Trump in 2016, Obama in 2012 and 2008

- **Kansas:** Republican leaders welcomed Rep. Roger Marshall's defeat of former Kansas Secretary of State Kris Kobach in the Aug. 4 primary; Democratic state Sen. Barbara Bollier is a serious candidate in a state where Democrats last won a Senate election in 193

- **Maine:** **Susan Collins (R)** is touting work on PPP loan assistance as she girds for tough race against state **House Speaker Sara Gideon** in one of two states with a GOP senator that Clinton won in 2016

- **Michigan:** **Gary Peters (D)** faces **John James (R)**, a veteran and businessman who lost to Sen. Debbie Stabenow in 2018; Trump won the state by two-tenths of a percentage point in 2016

- **Montana:** **Gov. Steve Bullock (D)** is challenging **Steve Daines (R)** in a state that votes Republican for president but has a history of ticket-splitting; Bullock won statewide in 2008, 2012 and 2016

- **North Carolina:** **Thom Tillis (R)** faces a serious threat from Army veteran and former state **Sen. Cal Cunningham** in a likely presidential battleground state that Obama won in 2008

Big Picture on 2020 Senate Races

Neither party is likely to reach a "super majority" of 60 votes to overcome a filibuster. If the Democrats gain control of the Senate, they are likely to abolish the filibuster, as many of them including Kamala Harris (CA), Elizabeth Warren (MA) and Jeff Merkely (OR) have all called for reforms. In particular, if Vice President Biden wins the presidency and Democrats control all three chambers, they are going to want to push their agenda forward without it getting blocked in the Senate.
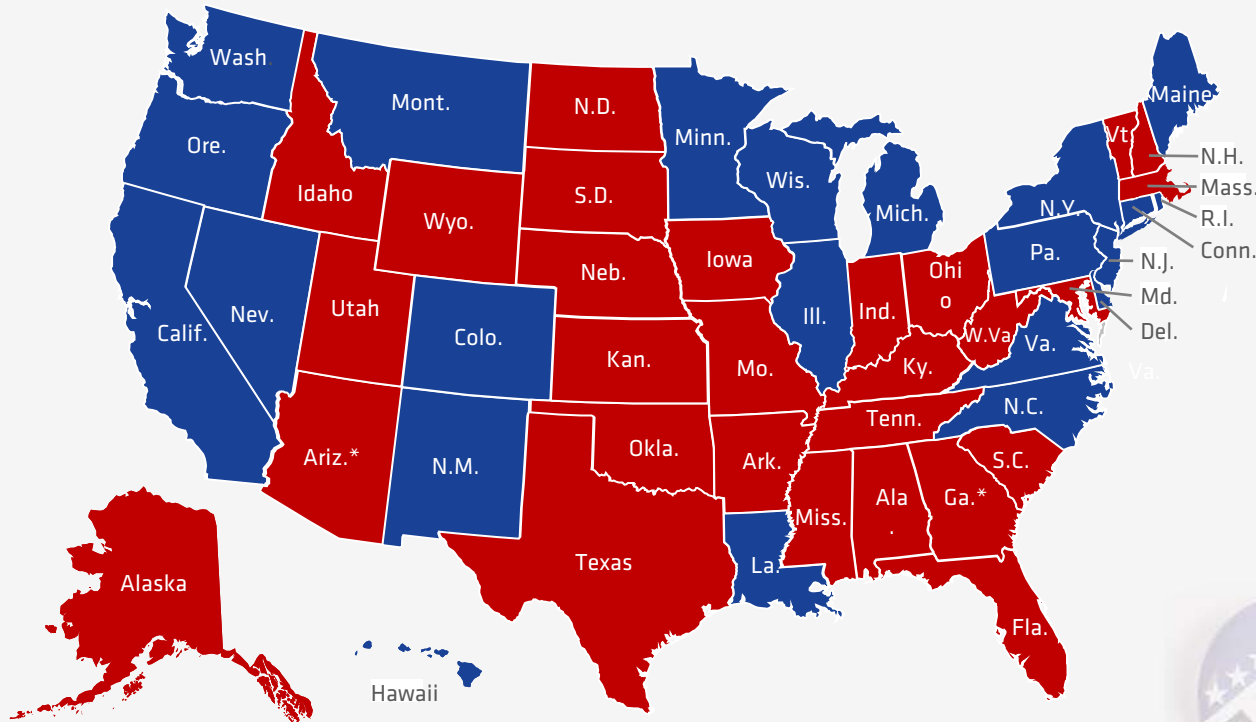
If Democrats control the Senate, we expect the agenda to be more forward leading on climate change, health care reform, and Supreme Court Justice Ruth Bader Ginsberg may be willing to consider retirement. Maybe.

Governors &
State Legislatures
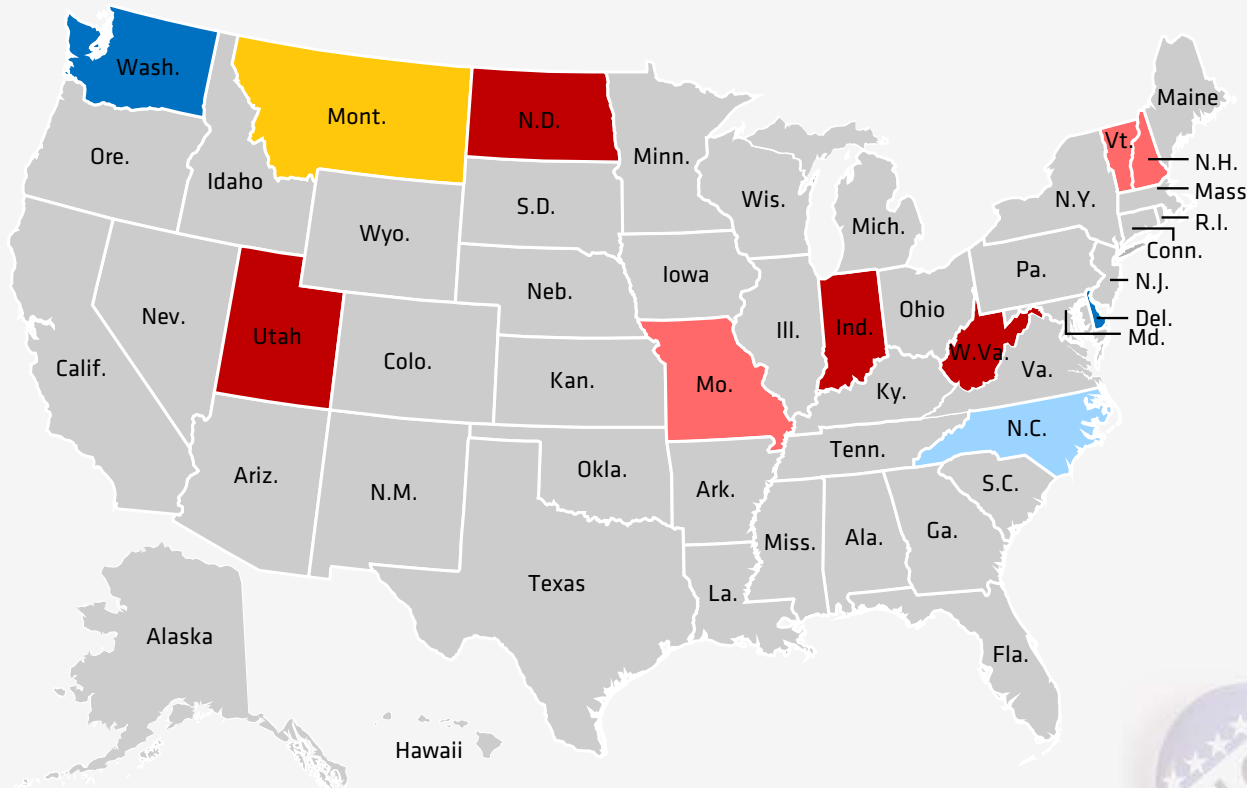
Current Governors By Party

Democratic Governors have been making gains since 2018:

- 33 Republican Governors and 16 Democratic Governors prior to 2018 Election

- In 2018 Republican lost 6 seats and Democrats gained 7

- In 2019 Republican lost 1 seat and Democrats gained 1

- 26 Republican Governors and 24 Democratic Governors after 2019 Election

Relative parity now exists between Democrat and Republican governors

2020 Governor Races

Eleven gubernatorial elections in 2020

Two open races:
- Montana (current D, toss-up)
- Utah (current R, safe R)

Six Republicans defending:
- Indiana
- Missouri
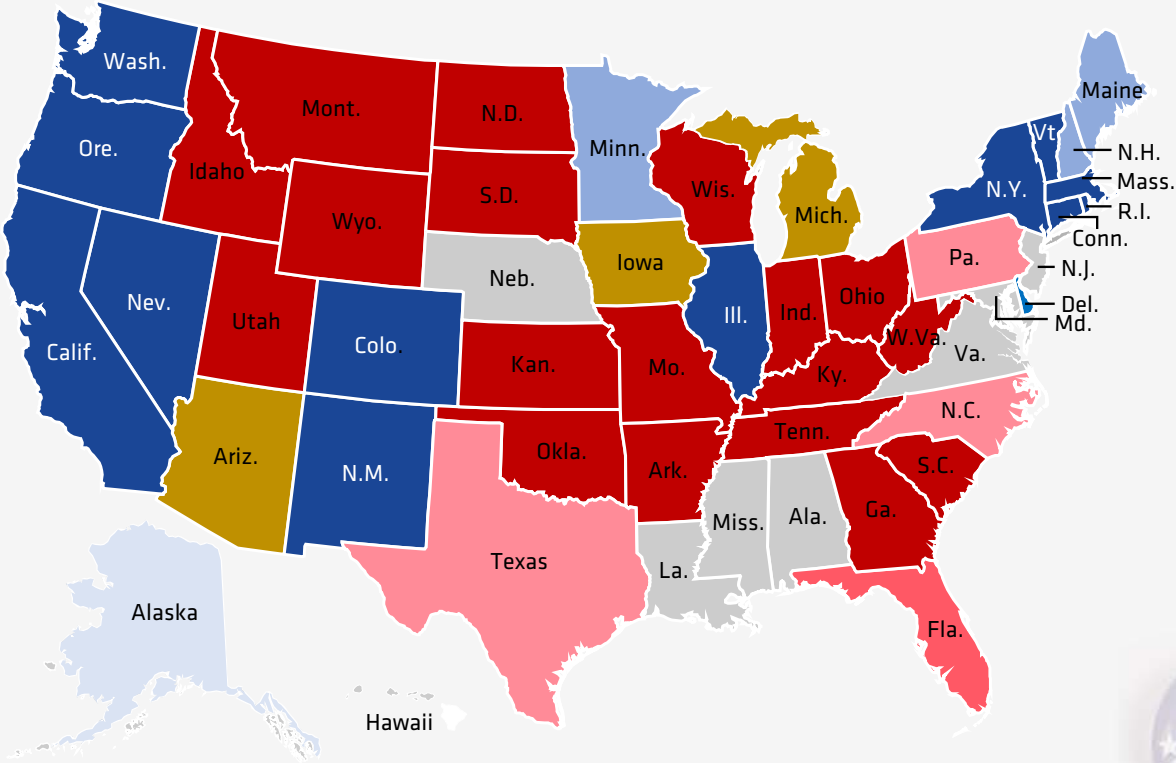- New Hampshire
- North Dakota
- Vermont
- West Virginia

Three Democrats defending:
- Delaware
- North Carolina
- Washington

Anticipate continued parity between Democrat and Republican governors

Legend:
- Solid Democratic
- Likely Democratic
- Lean Democratic
- Solid Republican
- Likely Republican
- Lean Republican
- Toss up
- No race

Source: Race ratings from Cook Political Report; last updated April 3

2020 State Legislative Races

Current Party Control of State Legislatures:

19 Democrat Controlled (House & Senate)

30 Republican Controlled (House & Senate)

1 Split Control (D House & R Senate)

- The November ballot will feature more than 5,000 elections for state House and Senate members in 35 states

- Republican majorities were at historic highs in 2016; in 2020 they are playing defense

- Democratic legislative candidates are beginning to make inroads in traditional Republican states

2020 State House Elections

- Republicans could lose control of State Houses in Arizona, Iowa and Michigan
  - Arizona House – Democrats need a net gain of 2 seats
  - Iowa House – Democrats need a net gain of 3 seats
  - Michigan House – Democrats need a net gain of 3 seats
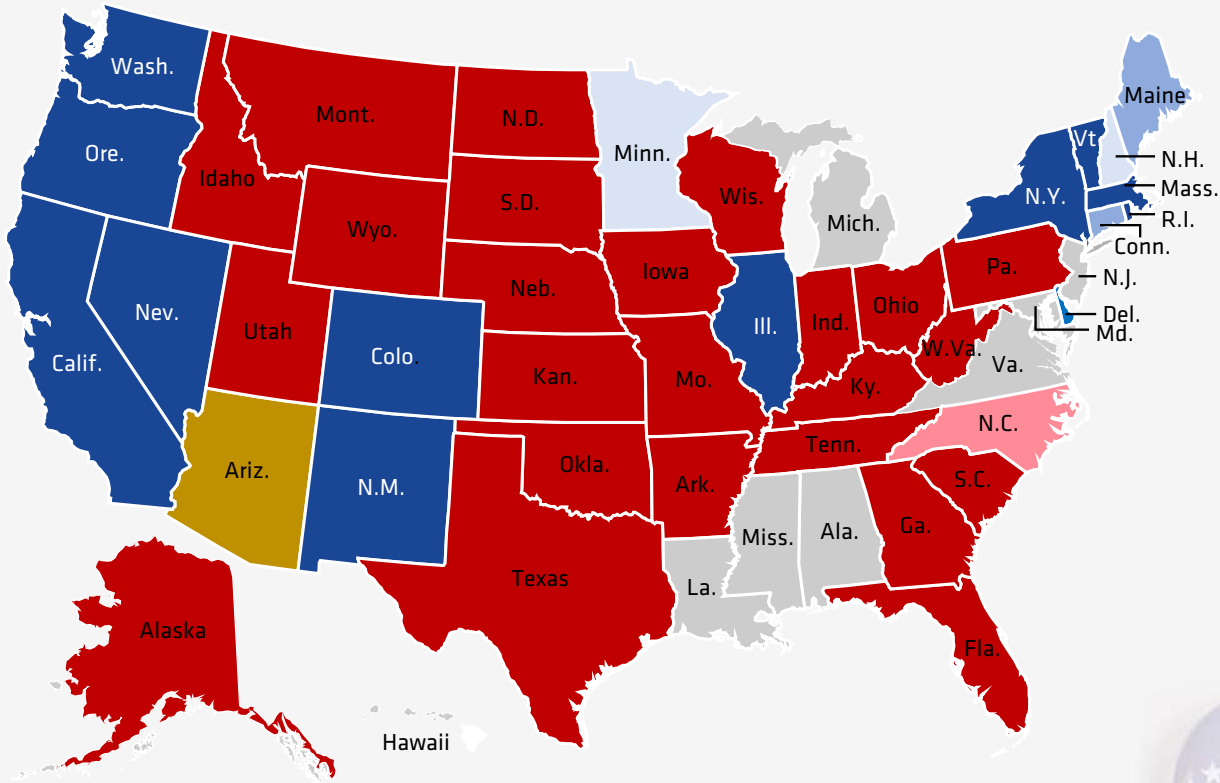- Democrats could also make significant gains in the Florida, North Carolina, Pennsylvania and Texas State Houses

Democrats 21　　　　　　　　　　**Republicans 25**

Solid D	Likely D	Lean D	Tossup	Lean R	Likely R	Solid R	
3	14	3	1	3	3	1	18	3

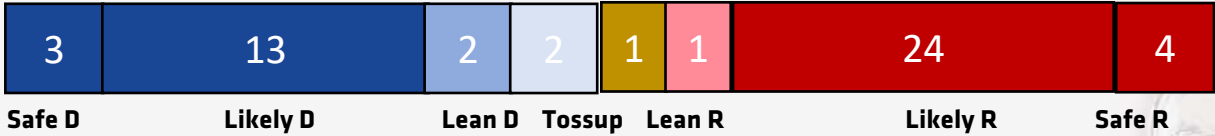# 2020 State Senate Elections

- Republicans could lose control of State Senates in Arizona and Minnesota
  - Arizona Senate (13-17) – Democrats need 3 seats
  - Minnesota Senate (32-35) – Democrats need 2 seats
- Democrats could make significant gains in North Carolina

Democrats 20

Republicans 29

Safe D	Likely D	Lean D	Tossup	Lean R	Likely R	Safe R
3	13	2	2	1	1	24	4

State Issues to Consider Post-2020 Election

- Democrat governors and state legislators making inroads into Republican strongholds (Pennsylvania, North Carolina, Virginia)

- Moderate Democrat governors with a more rational view towards industry winning election (e.g. Carney- DE, Cooper-NC, Murphy-NJ)

- Republicans becoming increasingly populist and critical of industry (e.g. DeSantis-FL)

- Outcome of state elections will also impact future Congressional makeup, as state legislatures will soon draw up new federal and state legislative districts

- States facing significant budget shortfalls

- Increased scrutiny on industry related to drug pricing

- Certain tax credits and economic development packages that benefit the industry may be reduced or eliminated

The Presidential Race

Former Vice President Joe Biden is now campaigning to **TRANSFORM** America on an FDR-like scale after previously pledging to be a **TRANSITION** to normalcy

Biden will most likely begin his administration by reversing Trump-era ACA actions

Top progressive leaders are unifying behind Biden's campaign as a vehicle for implementing progressive policies

Presidential Election Snapshot

President Trump Approval Rating	
Approve	44.8%
Disapprove	53.1%

Presidential Head to Head	
Trump	42.5%
Biden	50.2%

Direction of the Country	
Right Direction	25.3%
Wrong Direction	69.5%

The U.S. presidential election will be held on **NOVEMBER 3, 2020**

President **DONALD J. TRUMP** is the Republican nominee, and former VP **JOE BIDEN** is the Democratic nominee
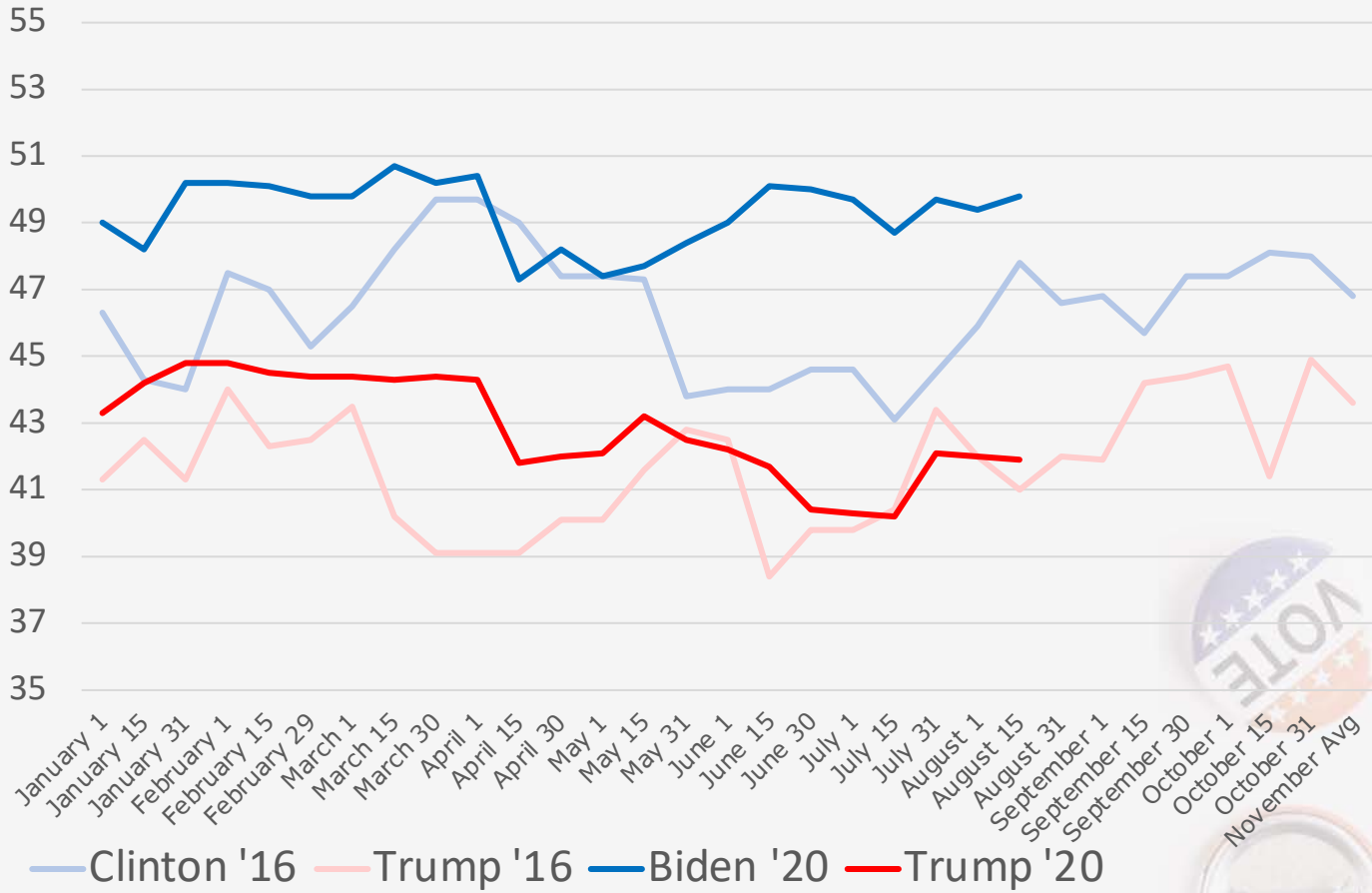
The general election consists of each State allocating **ELECTORAL VOTES** based on population (most States have a "winner take all" system)

To become President, a candidate must receive **270 ELECTORAL VOTES**

Source: RealClearPolitics Polling Snapshot (September 2, 2020) via Todd Strategy "Political and Election Update" September 8, 2020

Polling Comparison:

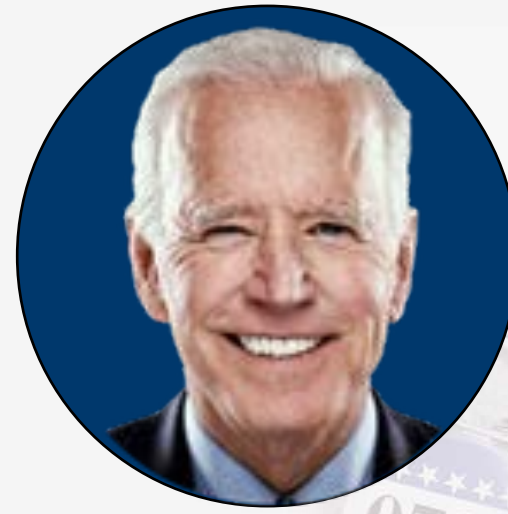## Trump v. Clinton '16 and Trump v. Biden '20

Biden has always been higher than Clinton, but Trump is *generally* higher than he was at this point in 2016

August 15, 2016

Clinton '16	Trump' 16
47.8	41.0

August 15, 2020

Biden '20	Trump '20
49.8	41.7

Legend: Clinton '16, Trump '16, Biden '20, Trump '20

Fundraising Head-to-Head

The Trump Campaign has more Cash on Hand through Q2

Donald J. Trump for President, Inc.

Cash on Hand
$113,024,980.58

Biden for President

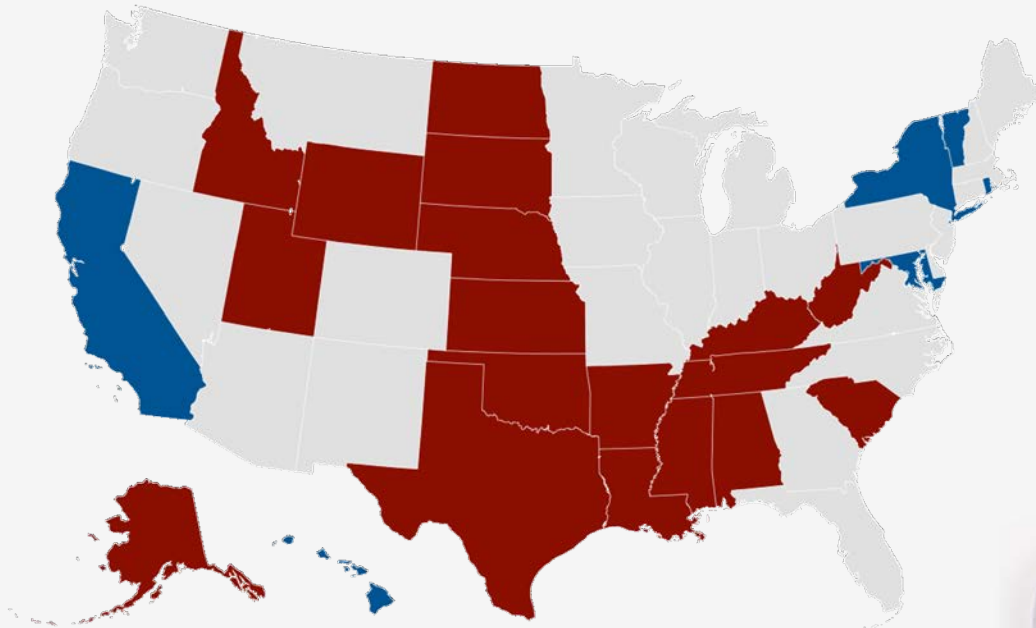| Cash on Hand |
| --- |
| $108,917,476.14 |

*As of June 30, 2020, Next filing deadline is September 30, 2020

Source: Buchholz, Katharina. "Trump Campaign Has Deeper Pockets." Statista, Statista Inc., 18 Aug 2020, https://www.statista.com/chart/22618/presidential-campaign-fundraising-2020/ via Todd Strategy "Political and Election Update" September 8, 2020

Path to 270 Electoral Votes

Eight States Historically Vote Democratic (119 Electoral Votes)

CA, D.C., HI, MD, MA, NY, RI, VT

26 States have voted for the same party over the past 20 years, leading them to be considered "safe" to vote for the same party in 2020

Note: Democrats have indicated that they will attempt to make Texas and South Carolina more competitive this cycle

Nineteen States Historically Vote Republican (143 Electoral Votes)

AL, AK, AR, ID, KA, KY, LA, MS, MT, NE, ND, OK, SC, SD, TN, TX, UT, WV & WY

Source: Todd Strategy "Political and Election Update" September 8, 2020

Key Polling Data: Swing State Snapshot

State	Joe Biden	Donald Trump	Average Margin	2016 Margin
North Carolina	46.4%	47.0%	R +0.5	Trump +3.7
Wisconsin	50.8%	43.5%	D +6.5	Trump +0.7
Florida	50.3%	45.3%	D +5.0	Trump +1.2
Pennsylvania	49.7%	43.3%	D +6.4	Trump +0.7
Michigan	48.7%	42.0%	D +6.7	Trump +0.3
Overall U.S.	50.2%	42.5%	D +7.7	Clinton +2.1

- *'Swing States'* such as those listed above are essential in securing the necessary 270 electoral votes, these states are historically politically diverse with large variability in populations

- President Donald J. Trump was successfully able to win most of the 'Battleground' states in 2016, resulting in an election win with 302 electoral votes and 45.9% of the popular vote

- Former Vice President Joe Biden is currently leading in all battleground states including those won by Trump in 2016

Source: Todd Strategy "Political and Election Update" September 8, 2020

Former VP Joe Biden's Path to 270 Electoral Votes

Likely Biden

- Illinois
- Maine
- Rhode Island
- Washington
- California
- Hawaii
- Vermont
- New York
- Massachusetts
- Maryland
- D.C.

Leans Biden

- Connecticut
- New Jersey
- Oregon

Key Battle Ground States for Biden

- Michigan
- Pennsylvania
- North Carolina
- Arizona
- Wisconsin

- Biden wins Michigan, Pennsylvania & Arizona resulting in **279 Electoral Votes**

- Biden wins Michigan & Pennsylvania + Nebraska-02 and Maine-02 resulting in **270 Electoral Votes**

- Biden wins Michigan, Pennsylvania & Wisconsin resulting in **278 Electoral Votes**

- Biden wins Michigan, Pennsylvania, Wisconsin & North Carolina resulting in **274 Electoral Votes**

- Biden wins Florida and any of the other 'Battle Ground' states resulting in **270+ Electoral Votes**

RCP Polling (9/2/20)

Michigan	
Biden	47.3%
Trump	44.7%

Wisconsin	
Biden	48.0%
Trump	44.5%

Pennsylvania	
Biden	49.0%
Trump	44.3%

Arizona	
Biden	48.0%
Trump	45.8%

North Carolina	
Biden	47.0%
Trump	48.0%

Source: Todd Strategy "Political and Election Update" September 8, 2020

President Trump's Path to 270 Electoral Votes

Likely Trump

- Alaska
- Louisiana
- Mississippi
- Montana
- Utah
- Idaho
- Wyoming
- North Dakota
- South Dakota
- Nebraska
- Kansas
- Oklahoma
- Arkansas
- Alabama
- Tennessee
- Kentucky
- West Virginia

Leans Trump

- Indiana
- Missouri
- South Carolina

Key Battle Ground States for Trump

- Wisconsin
- North Carolina
- Virginia
- Arizona
- Michigan
- Ohio

- Trump wins Florida, Wisconsin, Ohio, Michigan, Pennsylvania, Florida & Arizona as he did in 2016, resulting in **318 Electoral Votes**

- Early Arizona polling data shows Arizona (11 Votes) going for Biden, making it essential for Trump to win Wisconsin (10 Votes)

- All battle ground state polling currently shows Biden slimly ahead

- Florida has **29 Electoral votes**, Pennsylvania has 20, Ohio has 18 and Michigan has 16 making Florida an essential win along with at least two of the others

Battle Ground States Won 2016

Iowa
Wisconsin
Ohio
Michigan
Pennsylvania
Florida
Arizona

Source: Todd Strategy "Political and Election Update" September 8, 2020

Trump WH, GOP Senate, Dem House ("Status Quo")

Scenario: **1**

Trump Policy Focus:

- Support court case(s) against the constitutionality of Obamacare

- Continue to roll back Obamacare regulations (enrollment support for consumers, end automatic re-enrollment)

- Encourage short-term, limited duration health plans and Association Health Plans

- Negotiate a better deal on prescription drugs

- Continue to weaken climate protections

Scenario Takeaway

A status-quo election outcome would most likely lead to similar characteristics of the 116th Congress, a Legislative Branch marred in gridlock on health policy issues including drug pricing, surprise billing, and insurance coverage accompanied by an Executive Branch intent on executive action and regulatory reform

Industry Impact

Insurance Proposals: Impact largely dependent on Obamacare constitutionality court case; If Obamacare intact, expect status quo of discouraging public insurance options

Prescription Drug Policy: Structural reforms remain unlikely; smaller policies (form of importation, manufacturing incentives) may impact industry on limited scale. Likely to result in winners and losers in the industry (i.e., specialty vs. retail or Part B vs. Part D)

Biden WH, GOP Senate, Dem House ("Mixed Result")

Scenario: **2**

Biden Policy Focus:

- Lower Medicare eligibility age to 60

- Add a Medicare-administered public insurance option; at least one plan will have no deductible

- Negotiate lower drug prices for beneficiaries

- More aggressive administrative action on climate change and environmental protections

Scenario Takeaway

As it currently does, the Senate will act as check to the larger and more transformational proposals from the House including H.R. 3 and the HEROES Act, but will now face additional pressure from the White House. The top priority of a McConnell-led Senate under President Biden will be to block major Democrat-reform proposals; we expect GOP budget concerns will increase with coronavirus fading and Democrats in WH

Industry Impact

Prescription Drug Policy: As a whole, decreased revenues for industry, limitations on pricing flexibility, with anticipated fewer drugs taken to market and implementation of some form of International Reference Pricing. This could result in costly incremental reforms or be transformative for the entire industry

Source: Todd Strategy "Political and Election Update" September 8, 2020

Biden WH, Dem Senate, Dem House ("Dem Sweep")

Scenario: **3**

Biden Health Policy Focus:

- Add a Medicare-administered public insurance option; at least one plan will have no deductible

- Negotiate lower drug prices for beneficiaries

- Legislative and regulatory action on climate change

Scenario Takeaway

Largely dependent on the makeup of the Senate and reconciliation process, this scenario is the likeliest for structural reform on insurance market and prescription drug pricing, climate and environmental issues

Industry Impact

Prescription Drug Policy: H.R. 3-like structural reform would be on the agenda. If implemented, policy would lead to decreased revenues for industry, limitations on pricing flexibility, with anticipated fewer drugs taken to market and implementation of some form of International Reference Pricing

Source: Todd Strategy "Political and Election Update" September 8, 2020

Drug Pricing Takeaways: What is Possible in 2021?

- The drug pricing policy landscape will be highly dependent on which scenario the election results in

- Due to candidates' agreement on **DRUG IMPORTATION**, the policy is likely to advance under any scenario

- Features of **INTERNATIONAL REFERENCE PRICING** and **INFLATION CAPS** have potential to develop in either a Trump second term or Biden first term

- **DRUG PRICE NEGOTIATION** is only possible under scenarios 5 and 6, and will still likely face opposition within the Democratic Party and nearly all Republicans will be opposed

Source: Todd Strategy "Political and Election Update" September 8, 2020

Views on Intellectual Property and Patent Reform

Key Question: **Will Former VP Biden Adopt Sen. Sanders' Policies on Patent Reform?**

- Throughout his career in the Senate, Bernie Sanders has criticized aspects of intellectual property rights

- The Biden-Sanders Unity Task Force states that a Biden Administration would "use antitrust authority to challenge mergers that lessen generic competition"

Key Question: **Will the President Support a Sen. Cornyn Measure on Patent Thickening?**

- There has been increased pressure on the Administration to take action to circumvent IP rights to support lower pricing

- Will potentially support Sen. Cornyn (R-TX) backed "Affordable Prescriptions for Patients Act" on patent thickening

Source: Todd Strategy "Political and Election Update" September 8, 2020

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Organization

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