

Election Spotlight: Healthcare Reform

Within the healthcare sector, IBISWorld has altered two key external drivers to reflect potential changes in funding under each presidential candidate. If PPACA is repealed, IBISWorld assumes that the number of people covered by private health insurance would rise by an additional 2.0% in 2013, while federal funding for Medicare and Medicaid would decline by the same amount. If the act stays intact, conditions would remain as they are currently, so these drivers would be unaffected through 2013. IBISWorld has manipulated the existing data to create scenarios for the healthcare sector under each of the potential candidates. The effects on individual healthcare industries are displayed below. IBISWorld's industry risk rating determines how much risk an industry will face over the next 18 months by assessing the operating conditions for companies in the industry. A score between 1.0 (LOW) and 9.0 (High) is assigned to each industry, based on the probability that one or more of its key external drivers will change within the period. Regardless of whether the PPACA remains law and its additional regulations are put into effect over the next few years, from a risk standpoint, it's statistically insignificant.



Change

Healthcare Industries Risk Level By Candidate

Democrat	Republican	Change	Industry
2.55	2.21	-0.34	Hospitals
2.75	2.55	-0.21	Physical Therapists
3.96	3.78	-0.18	Health & Welfare Funds
3.53	3.35	-0.17	Dentists
3.82	3.68	-0.14	Podiatrists
5.30	5.18	-0.12	Psychologists, Social Workers & Marriage Counselors
3.78	3.66	-0.12	Primary Care Doctors
4.72	4.61	-0.11	Medical Instrument & Supply Manufacturing
3.62	3.51	-0.11	Blood & Organ Banks
4.44	4.33	-0.11	Chiropractors
4.15	4.04	-0.11	Drug, Cosmetic & Toiletry Wholesaling
4.34	4.23	-0.10	Pharmacies & Drug Stores
3.71	3.61	-0.10	Specialist Doctors
3.67	3.57	-0.10	Mental Health & Substance Abuse Centers
4.69	4.61	-0.08	Diagnostic & Medical Laboratories
3.33	3.25	-0.08	Emergency & Other Outpatient Care Centers
4.39	4.33	-0.06	Psychiatric Hospitals
3.74	3.68	-0.06	Home Care Providers
3.48	3.44	-0.05	Optometrists
3.98	3.93	-0.05	Ambulance Services
5.17	5.12	-0.05	Nursing Care Facilities
4.12	4.08	-0.04	Family Planning & Abortion Clinics
3.86	3.83	-0.03	Generic Pharmaceutical Manufacturing
4.44	4.41	-0.03	Glasses & Contact Lens Manufacturing
3.42	3.40	-0.02	Specialty Hospitals
3.92	3.90	-0.02	Mental Health & Substance Abuse Clinics
5.46	5.45	-0.01	Brand Name Pharmaceutical Manufacturing
3.40	3.40	-0.01	Elderly & Disabled Services
3.70	3.70	0.00	Health & Medical Insurance
5.33	5.37	+0.03	Eye Glasses & Contact Lens Stores
4.67	4.73	+0.06	Medical Supplies Wholesaling
4.02	4.08	+0.06	Retirement Communities
4.01	4.09	+0.08	Medical Device Manufacturing
4.69	4.77	+0.09	Alternative Healthcare Providers
5.86	5.97	+0.11	Health Stores
5.33	5.47	+0.15	Vitamin & Supplement Manufacturing

If the individual mandate takes effect, over 32 million uninsured Americans will receive coverage. For more info, see page 4.

A shortage of physicians could create problems for the influx of newly-insured patients. For more info, see page 4.

This industry generates an estimated 41.0% of revenue from Medicare. For more info, see page 7.

This industry would benefit from the PPACA's mandate for insurance plans to provide access to birth control free of co-pays or deductibles. For more info, see page 9.

The healthcare reform law has increased Medicare prescription drug coverage limits, helping 5.1 million Medicare recipients save \$3.1 billion. For more info, see page 8.