

# NEWS BRIEF

Provided by: Kinloch Consulting Group, Inc.

## President Biden Addresses Employee Benefits and the Workplace in State of the Union

On Tuesday, March 1, President Joe Biden gave the 2022 State of the Union address (SOTU). The SOTU is an annual speech delivered by the president around the beginning of each year.

Generally, the speech outlines how the country is doing and signals future initiatives the president wants to pursue. For employers, the SOTU is important because it often provides insight into proposed plans and initiatives relevant to the workplace.

The 2022 SOTU was effectively segmented into two parts: the first discussed international affairs—particularly the Russia-Ukraine conflict—and the second talked about various domestic matters, including those relevant to the workplace. This article focuses on the latter half of the SOTU. Read on for the main takeaways from the speech.

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***“If we want to go forward—not backward—we must protect access to health care.”***

- *President Biden, in the address*

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### Insulin Caps

One of the major health care announcements from the SOTU regarded insulin prices. Biden proposed to cap the price of insulin at \$35 a month for everyone.

Currently, insulin can cost hundreds of dollars a month for individuals with diabetes.

### Medicare Negotiated Drug Prices

The president briefly mentioned his desire to let Medicare negotiate lower prices for prescription drugs. He compared this initiative to the existing model from the Department of Veterans Affairs, which allows for negotiation of drug prices.

### Mental Health Investment

One of the more detailed SOTU talking points regarded mental health, with the White House releasing its [implementation strategy](#). The president’s goal is to “get all Americans the mental health services they need” and stem the tide of mental health issues across the country. Specifically, the strategy includes the following points, among others:

- Investing \$700 million in additional mental health programs
- Training more mental health professionals
- Launching a “988” mental health crisis hotline
- Expanding access to mental health services through health plans
- Increasing mental health resource access in schools and colleges



- Integrating mental health solutions into primary care settings
- Researching social media's potential harms

In its proposed strategy, the White House specifically addressed the mental health of children and veterans as being the top priority.

## Opioid Epidemic Mitigation

Another significant health care talking point involved the opioid epidemic, with the White House releasing another [detailed strategy overview](#). The president's vision includes the following proposals, among others:

- Investing tens of billions into "public health approaches to reduce drug use and its consequences"
- Removing barriers to addiction treatment
- Expanding telehealth services for opioid addiction
- Investing in harm-reduction services
- Establishing initiatives to stop drug trafficking

Ultimately, the White House said these efforts aim to reduce the historic number of prescription drug overdose deaths.

## Workplace Changes

President Biden called on Congress to pass the Paycheck Fairness Act to address the gender pay gap. He also called on Congress to pass the Protecting the Right to Organize Act, which would strengthen the federal laws that protect employees' rights to organize and collectively bargain.

Additionally, President Biden called for implementing paid leave and raising the minimum wage to \$15 an hour. Again, it must be noted that these are merely proposals. Whether there will be major movement on any of these issues remains to be seen.

## Cancer Moonshot

Biden briefly touched on the subject of cancer, the number-two cause of death in America. He announced a plan to "supercharge the Cancer Moonshot," a program first introduced in 2016. The program's primary goal is to cut cancer's death rate by at least 50% over the next 25 years and improve the experience of people and their families living with and surviving cancer.

## Strategies to Reduce Inflation

Inflation was another important issue discussed in the SOTU. The president's general plan was introduced with the goal of lowering costs, not wages.

Biden summarized his inflation-reduction strategy into three primary steps:

1. Cut the cost of prescription drugs.
2. Cut the average energy cost for American families by \$500 a year by combatting climate change.
3. Cut the cost of child care in half.

The president noted that individuals making under \$400,000 wouldn't pay any additional taxes to reap these benefits.

## Child Care Solutions

After introducing his inflation-reduction strategy, Biden elaborated on his proposal to cut child care costs in half for most families. The plan includes:

- "Home and long-term care"
- More affordable housing
- Pre-K for every 3- and 4-year-old child

The president noted that the average U.S. family spends \$14,000 a year on child care per child, and his proposal aims to cut that expense in half. However, few details have been released about the specifics of this plan.

## COVID-19 Transitions

The president's standpoint on the COVID-19 pandemic seemed to be one of cautious perseverance—accepting that COVID-19 still poses a threat, but acknowledging that the country is at a point where it can start reducing strict prevention safeguards. For instance, most of the country has or will soon end mask mandates, per new government guidance.

Additionally, Biden outlined four “common-sense steps” the country can take as it “moves forward safely”:

1. Keep individuals protected with vaccines and treatments.
2. Prepare for new COVID-19 variants, including the potential need for another shot.
3. Encourage a return to in-person learning, working and shopping.
4. Make vaccines available to the world by sending hundreds of millions of doses to countries in need.

Summarily, the president's COVID-19 outlook should be welcomed news for employers. More in-person learning and greater child care expansion mean working parents will be able to return to their roles in the physical workplace.

## What's Next?

The SOTU serves mainly as a presidential wish list; it's a chance for the president to outline where he wants to take the country over the next year or more.

Employers and employees have reason to be excited about these upcoming developments. For employers, fewer COVID-19 restrictions and a greater shift toward in-person work may help increase productivity. For employees, expanded child care and

increased focus on health care access mean reduced expenses and improved well-being.

However, it's impossible to speculate on how some of the agenda items may take shape at this time. Generally, 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 affect the workplace significantly, those effects won't be evident until more information is released.

Kinloch Consulting Group, Inc. will keep you apprised of any noteworthy updates on these and other pertinent topics. In the meantime, reach out for additional workplace guidance.