

Penta Insiders

Policymaker Insights:

Tackling the Big Three: Policymaker Views on Healthcare, Technology, and Finance

January 2025
pentainsiders.com

Executive Summary

The report "**Tackling the Big Three**" underscores policymakers' viewpoints on key issues in healthcare, technology, and finance:

1. **Healthcare:** Policymakers identified rising costs, high drug prices, and accessibility as critical challenges. They emphasized regulating drug prices, with differing approaches on cost control and healthcare reforms.
2. **Technology:** Policymakers expressed optimism about AI's transformative potential but highlighted concerns regarding data privacy, transparency, and job displacement. They stressed the importance of ethical oversight and collaboration.
3. **Finance:** Policymakers pointed out the transformative role of Crypto, Fintech, and ESG in reshaping finance. They emphasized balancing innovation with regulation to ensure transparency, ethical practices, and sustainability.

The report highlights policymakers' commitment to collaborative efforts to address these challenges while fostering innovation responsibly.

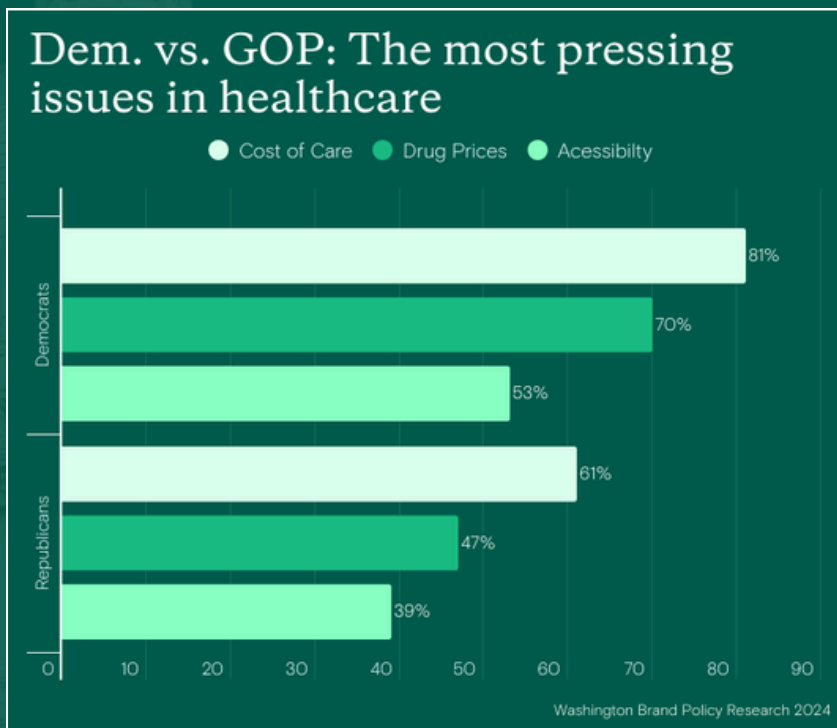
Penta Insiders

At Penta, our mission is to foster non-partisan, impactful policy conversations by bridging the gap between policymakers and advocates through actionable insights. Each year, we connect with thousands of policymakers at every level of government; across Washington, D.C., state capitals, and around the globe, to gather invaluable feedback. This research powers our cutting-edge, tailored reports, addressing the critical challenges facing public servants today. Explore our insights, access exclusive reports, and stay informed by visiting www.pentainsiders.com. To join the conversation follow us on X [@pentainsiders](https://twitter.com/pentainsiders).



Navigating Healthcare Challenges: Policymaker Perspectives on Costs and Access

Healthcare was a persistent topic among policymakers, who highlighted critical issues such as rising healthcare costs, high prescription drug prices, and the Affordable Care Act (ACA). These concerns highlight systemic inefficiencies, affordability challenges, and accessibility gaps.



Finding Common Ground: Healthcare Priorities

Policymakers reached bipartisan agreement on shared healthcare priorities, recognizing rising costs, high drug prices, and accessibility as critical issues. Both parties acknowledged the need for pharmacy benefit manager (PBM) reform, and the growing burden of medical debt on patients. However, despite these shared priorities, their perspectives diverge on how to address these challenges.

“ When you’re talking about healthcare, it’s obviously accessibility, quality, and fair pricing ”

Legislative Director, (D)

Policymaker Perspectives: Republican vs. Democrat

<u>Republican Perspective</u>	<u>Democratic Perspective</u>
Rising Healthcare Costs: Emphasized market-driven competition, deregulation, and consumer-focused plans like Health Savings Accounts (HSAs).	Highlighted the need for increased government oversight, expanding Medicaid, and measures to control prices for patients.
Drug Costs: Acknowledged Medicare’s potential to control drug costs; however, concerns were expressed about its potential to stifle innovation and the development of new drugs.	Noted expanding Medicare’s ability to negotiate drug prices, cap essential medication costs, and improve 340B program oversight.
PBM: Highlighted state-led reforms, such as Georgia’s PBM legislation, as models to improve transparency and competition while prioritizing market efficiency over regulation.	Emphasized federal reforms to address PBMs’ role in high drug prices, focusing on transparency, profit regulation, and consumer benefits.
Affordable Care Act (ACA): Noted maintaining the ACA as an option while supporting alternative systems with fewer mandates.	Referenced the ACA and IRA tax credits as essential for affordability and coverage, advocating for their extension.

Technology in Focus: Balancing Optimism and Concern in AI and Cybersecurity

Policymakers expressed both optimism and concern in regard to technology, particularly within artificial intelligence and cybersecurity. While emphasizing the transformative potential of AI, they underscored significant challenges such as insufficient transparency regarding how companies collect, store, and monetize user data, cybersecurity risks, and the urgency of maintaining U.S. leadership in the global AI competition.

Navigating AI and Cybersecurity Challenges

Privacy and Data Transparency

Policymakers feel there is insufficient transparency regarding how user data is collected, stored, and monetized by companies.

Global Leadership in AI Innovation

Policymakers highlighted the importance of maintaining leadership in global AI innovation to leverage AI for critical sectors such as defense, grid security, and cybersecurity.

Disinformation and Democratic Risks

Policymakers fear the misuse of AI to create deepfakes, fake news, and disinformation poses significant threats to democratic processes, including election manipulation.

Job Displacement

Policymakers expressed concern that AI automation would displace lower-skilled workers, many of whom may face significant challenges transitioning to new roles.

Challenges in Bridging the Knowledge Gap

Policymakers acknowledge a gap in their understanding of AI, which complicates regulation development. However this creates opportunities for further collaboration with academia and the private sector. Policymakers noted that practical examples, rather than technical discussions, are more effective in bridging knowledge gaps. They also expressed varied levels of trust in industry leaders, with established companies being more trusted than newer entrants. Underscoring the difficulty of crafting cohesive AI policies.

Cautious Optimism

Policymakers view AI as a transformative force with potential across sectors like cybersecurity and defense. While recognizing its ability to enhance decision-making and efficiency, they emphasize the need for ethical oversight, data transparency, and robust regulatory frameworks. Collaboration with academia and industry leaders is seen as essential to harness AI's opportunities responsibly while addressing its challenges.



Seeing is believing. So show us what does AI mean in an automotive context, in a data context? Show us how you're able to create something with AI and the benefits. A lot of the time when you sit across the table from someone, they'll have a great presentation and it's thorough and it's detailed and they answer your questions, but it's a lot easier if you can actually see it happening.

Former Senior Policy Advisor, (R)



It's definitely a positive tool, but it's a tool that can be used either positively or negatively.

Public Affairs Manager, (D)



Finance at the Crossroads: Innovation, Regulation, and Ethics

Policymakers highlighted Cryptocurrency, Financial Technology (Fintech), and Environmental, Social, and Governance (ESG) as critical areas shaping the future of finance. These themes intersect innovation, regulation, and societal responsibility. Cryptocurrency and Fintech were noted for their transformative potential in enhancing efficiency and access. ESG was recognized by policymakers for its role in addressing long-term issues and promoting sustainability.

Navigating Opportunities and Challenges

Policymakers highlighted both opportunities and risks within the evolving financial sector, focusing on the intersection of Cryptocurrency, Fintech, and ESG.

Cryptocurrency

Policymakers recognize cryptocurrency's potential to enhance financial systems through efficiency, cost reduction, and financial inclusion. They also highlighted reputational challenges the industry has faced from fraud allegations and negative media. Regulatory clarity is seen as essential to address market gaps and support long-term growth.

Financial Technology (Fintech)

Fintech has broadened access to financial services through innovations like mobile banking and blockchain. Policymakers note its benefits but bring attention to risks like cybersecurity challenges and regulatory gaps.

Environmental, Social, & Governance

Policymakers held partisan views on ESG, with Democrats strongly supporting it as an essential practice, while Republicans view it as unnecessary and oppose financial institutions imposing social beliefs. However, both sides acknowledge inconsistent metrics and potential greenwashing.

Balancing Challenges and Opportunities

Policymakers highlighted opportunities in leveraging Crypto and Fintech to improve efficiency and broaden financial access, while emphasizing the importance of addressing regulatory gaps and maintaining ethical standards. There is agreement on the need for clear guidelines and collaboration among stakeholders to balance innovation with regulatory responsibilities. On ESG, despite differing perspectives on its role in the financial sector, policymakers recognize the challenges organizations encounter in implementing ESG initiatives within the current social landscape.

“Financial companies focusing on ESG initiatives is a terrible plan. When investment firms try to force a company to adopt a certain set of values, you're doing a disservice to the investor. I don't want you to use my money to impose your social values on somebody else.”

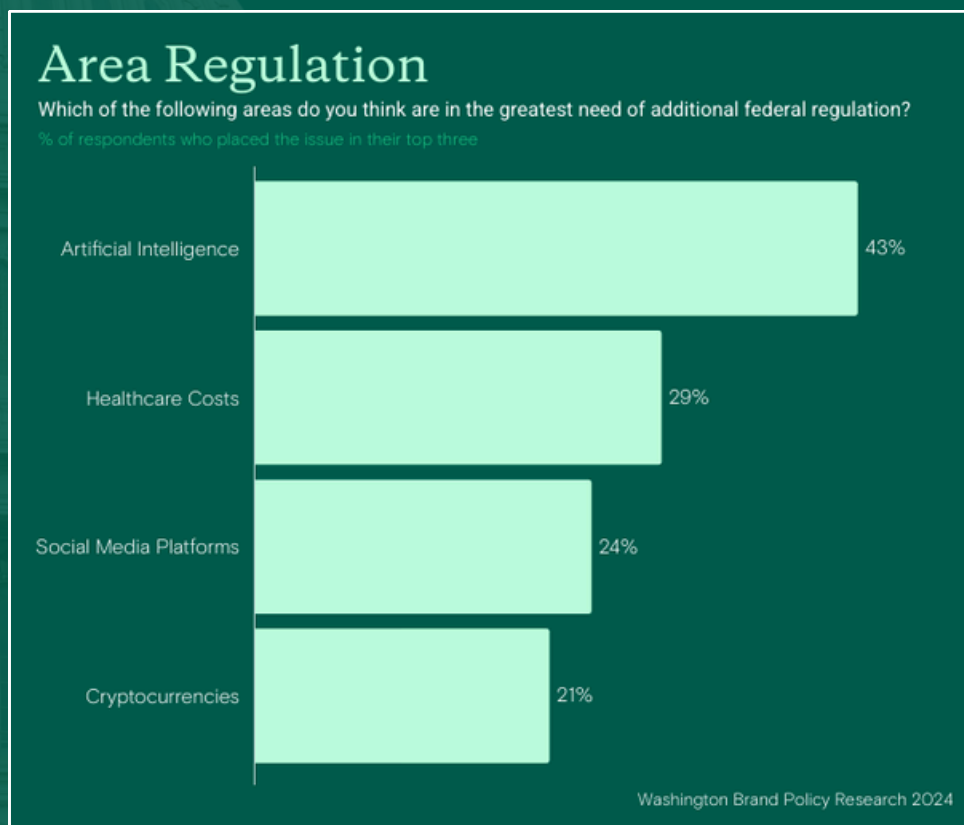
Deputy Chief of Staff, (R)

“We live in such a world where corporations can no longer really be apolitical. There's been a trend in this push for them to take a stance on certain political issues.”

Legislative Advisor, (D)

Bipartisan Agreement: Regulation in Key Sectors

Policymakers shared a bipartisan consensus on the need for increased regulation in healthcare, technology, and finance, particularly focusing on artificial intelligence, healthcare costs, and cryptocurrency. These sectors represent pivotal areas where policymakers are prioritizing regulation to address challenges while fostering innovation. In healthcare, policymakers emphasized the importance of tackling rising costs, with particular focus on regulating pharmacy benefit managers (PBMs) and increasing transparency in drug pricing to alleviate financial burdens on consumers. In technology, artificial intelligence was recognized as a transformative tool, but bipartisan concerns over algorithmic bias, privacy risks, and cybersecurity vulnerabilities were coupled with an acknowledgment of knowledge gaps among policymakers regarding AI's capabilities. Similarly, in finance, the unregulated nature of cryptocurrency and the complexities of fintech partnerships have led to bipartisan calls for oversight to protect consumers and ensure market stability. These shared priorities highlight the key sectors where policymakers are focusing their regulatory efforts with hopes to address pressing challenges.



“

I'm most fascinated by artificial intelligence (AI) regulation, how that'll move forward and how you harness that.

Chief of Staff, (R)

”

“

My boss serves on the Financial Services Committee, so I see a lot of this in relation to our office here. One of the biggest things is that we need more regulations—my bias is for regulations.

Legislative Assistant, (D)

”