



Affordable Care Act Supreme Court Decision Sept. 19, 2012

On June 28, 2012, the U.S. Supreme Court ruled that the Affordable Care Act (ACA) was constitutional. The only change in the ACA resulting from the Court's decision is that states cannot be penalized for declining to participate in Medicaid expansion by the potential loss of all of a state's existing Medicaid funding. Following is a brief look at the ACA issues subject to challenge and the Supreme Court's ruling:

- Issue:** The Anti-Injunction Act, which prohibits lawsuits to restrain the assessment of collection of taxes as it is applied to the individual mandate, meaning taxpayers cannot file a lawsuit asking a court to block a federal tax in advance of paying the tax.

Ruling: Justice Roberts wrote that the Anti-Injunction Act did not apply to the ACA.
- Issue:** The expansion of Medicaid eligibility to include all individuals and families with incomes up to 133 percent of the federal poverty level and a simplified CHIP enrollment process.

Ruling: The Justices allow Medicaid expansion, but not with the penalty to withhold all Medicaid funding. In essence, the Court ruled that to withhold all a state's Medicaid funding should a state refuse to expand Medicaid was "coercion." States must continue to receive their current Medicaid funding even if they opt out of the expansion.
- Issue:** The individual mandate, which would require all individuals not covered through an employer sponsored or individual private insurance plan, Medicaid, Medicare or other public insurance program to purchase an approved insurance policy or pay a penalty unless the individual is a member of an IRS recognized religious sect or waived due to financial hardship.

Ruling: The individual mandate is constitutional, not under the Commerce Clause (which is not constitutional), but under congressional authority to levy, collect and spend taxes.
- Issue:** The issue of severability, which was the final question before the Court – in the event that only the individual mandate was overturned, what parts of the Act were severable and would remain in effect.

Ruling - As the individual mandate was upheld, the issues around severability were not addressed.

The Oklahoma Hospital Association has prepared Fact Sheets on numerous topics related to the ACA of interest to hospitals. The Fact Sheets may be accessed at www.okoha.com/aca and include the following topics: Employer Provisions, Insurance Exchange, Coverage Requirements, Individual Mandate, Delivery System Reform, ACA Impact on Oklahoma, Quality and Care Delivery, Community Benefit, Temporary High Risk Pool, Preventive Services and more.