

The Supreme Court's Decision on the Affordable Care Act

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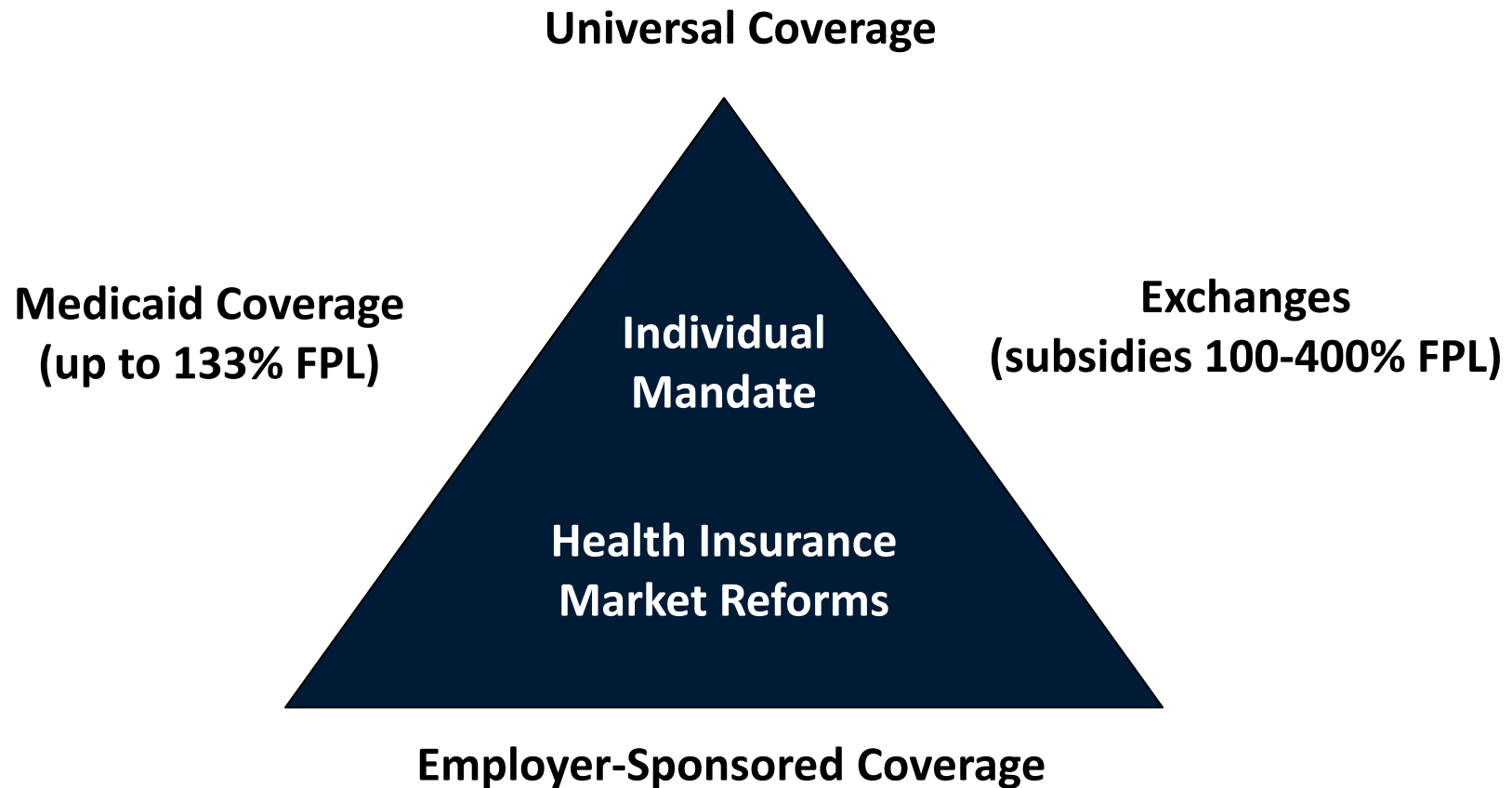
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FIGURE 1

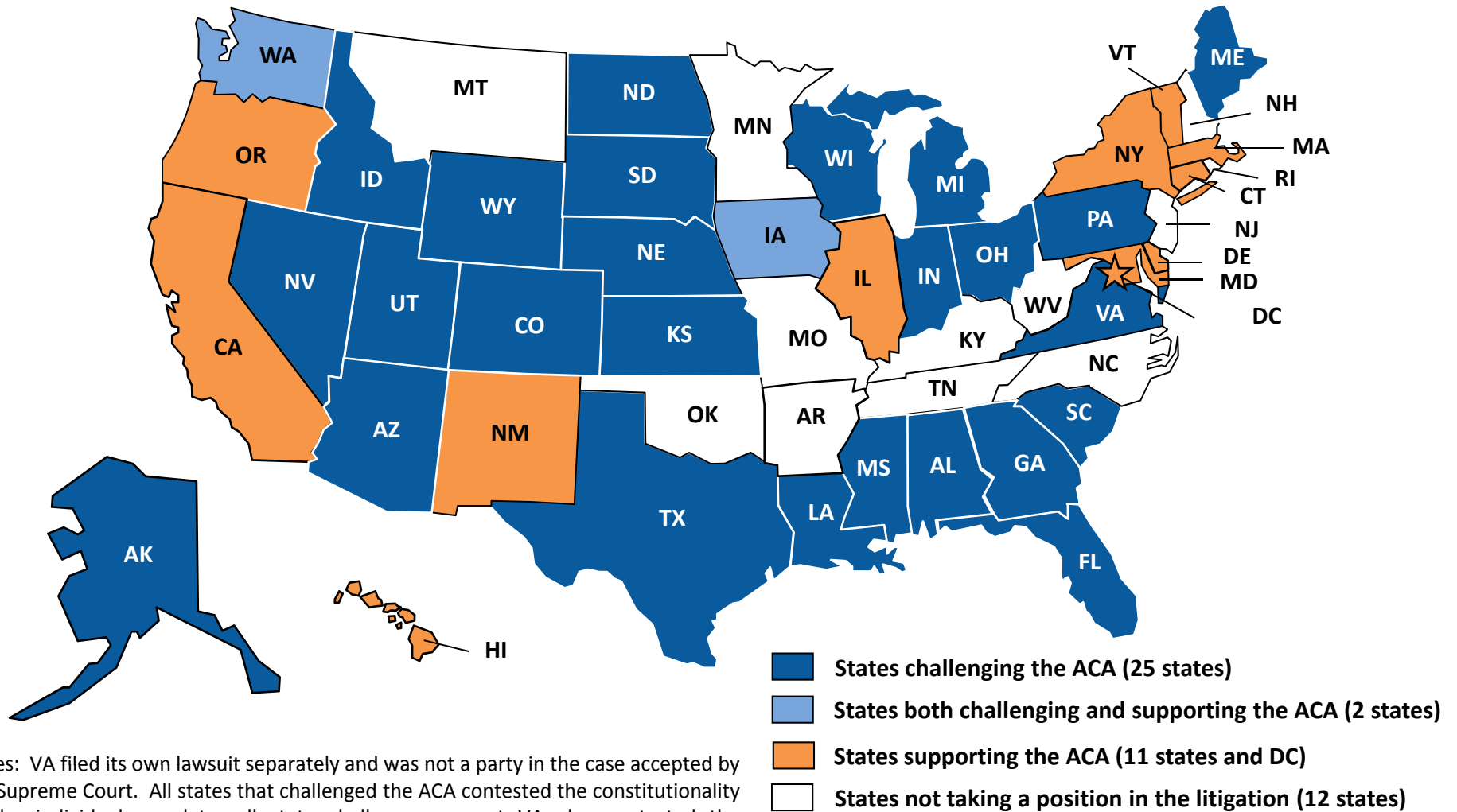
Affordable Care Act Coverage Provisions



Note: In 2012, for a family of 4, 133% FPL is \$30,657 and 400% FPL is \$92,200.

FIGURE 2

States' Positions in the Affordable Care Act case at the Supreme Court



Notes: VA filed its own lawsuit separately and was not a party in the case accepted by the Supreme Court. All states that challenged the ACA contested the constitutionality of the individual mandate; all state challengers except VA also contested the constitutionality of the Medicaid expansion. All states supporting the ACA backed the constitutionality of both the individual mandate and the Medicaid expansion, except that DC only joined a brief supporting the individual mandate.

Issues That the Court Agreed to Decide:

1. Do courts have jurisdiction to decide the constitutionality of the ACA's individual mandate provision now?
2. If so, is the ACA's individual mandate provision constitutional?
3. If unconstitutional, is the individual mandate provision severable?
4. Is the ACA's Medicaid expansion constitutional?

FIGURE 4

Issue 1: Does the Anti-Injunction Act prevent a decision now?

- By a vote of 9 to 0, the Court held that the Anti-Injunction Act does not apply, and the constitutionality of the mandate can be decided now.

Issue 2: Is the Individual Mandate Constitutional?

- A majority of 5 Justices held that the individual mandate is a constitutional exercise of Congress' taxing power
- There was not a majority to uphold the individual mandate under the Commerce Clause or the Necessary and Proper Clause – only four Justices would have done so

Issue 3: Is the Individual Mandate Severable From the Rest of the Law?

- Because the mandate is constitutional under Congress' taxing power, the Court did not decide whether the mandate is severable
- Four dissenting Justices rejected the constitutionality of the individual mandate on all bases and would have invalidated the entire ACA

Issue 4: Is the Medicaid Expansion Constitutional?

- Five Justices held that the HHS Secretary may not withhold existing federal Medicaid funds for state non-compliance with the Medicaid expansion
- The Secretary's existing authority to withhold a portion of or all federal Medicaid funds for state non-compliance with other Medicaid requirements remains in place
- The Court constrained the Secretary's enforcement power while leaving the Medicaid expansion intact; states have financial incentive to comply, but the penalty for non-compliance is limited to loss of Medicaid expansion funds
- All ACA provisions remain in effect

FIGURE 8

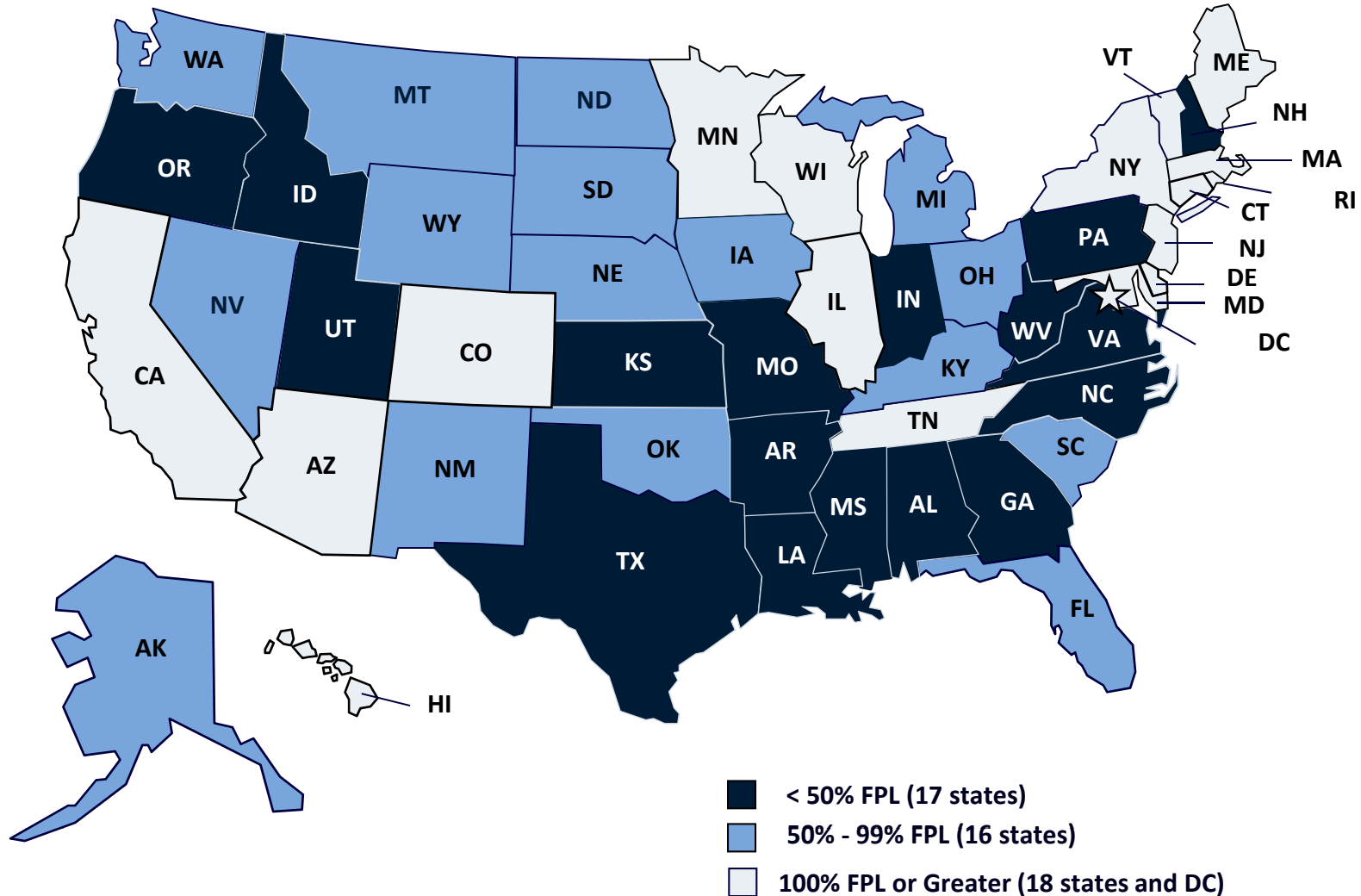
Vote Breakdown of the Court's Decision

Outcome	For	Against
Court has jurisdiction to decide case now	9	0
Mandate is a constitutional exercise of Congress' power to tax	5	4
Medicaid expansion violates Congress' spending clause power as unconstitutionally coercive of states because all existing Medicaid funds at risk and states not given adequate notice to voluntarily consent	7	2
Remedy is to limit HHS Secretary's power to withhold existing federal Medicaid funds for state non-compliance with Medicaid expansion	5	4

SOURCE: *Nat'l Fed'n of Indep. Bus. v. Sebelius*, 567 U.S. ____ (2012).

FIGURE 9

Working Parents' Medicaid Eligibility by Income, January 2012

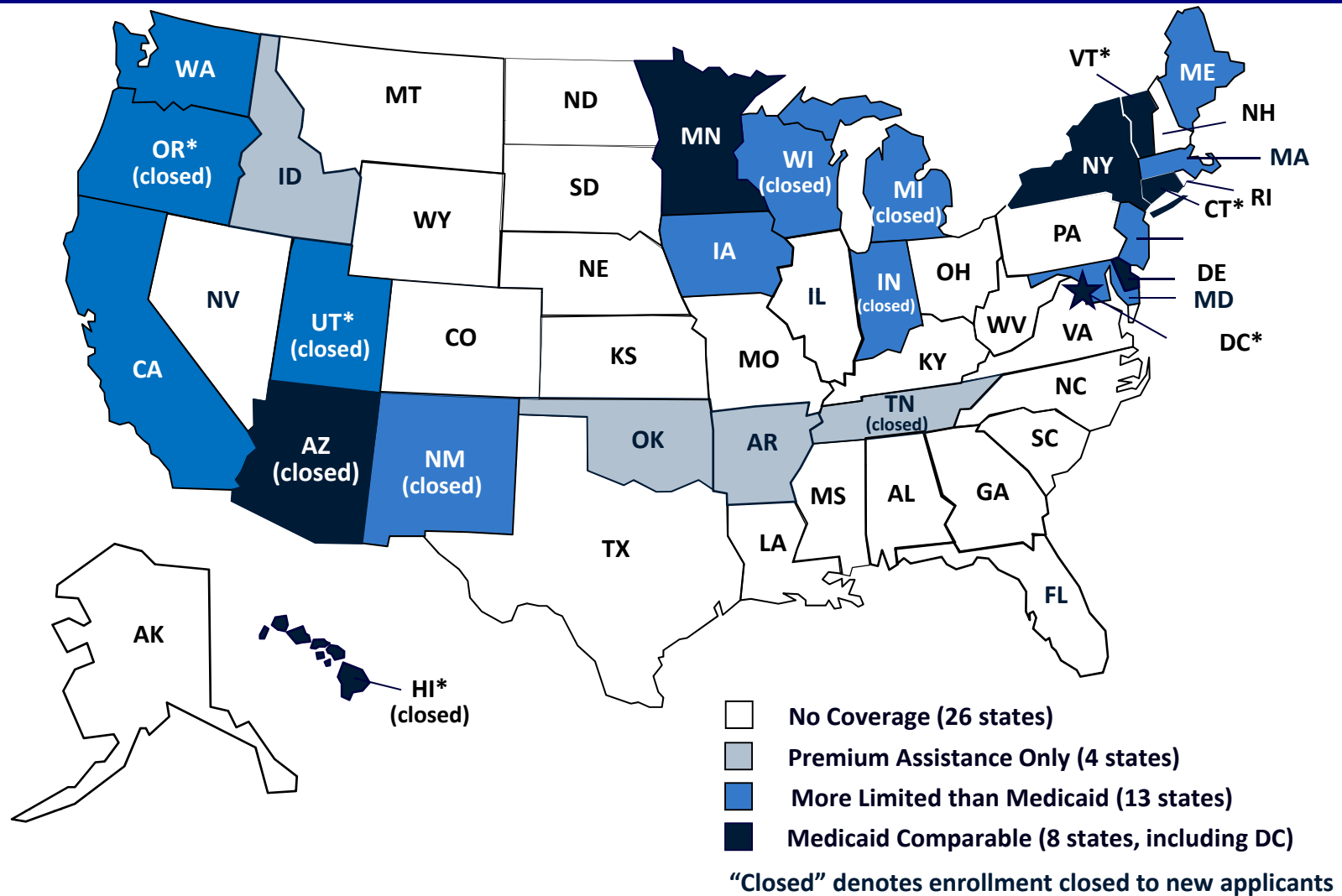


NOTE: The federal poverty line (FPL) for a family of three in 2012 is \$19,090 per year.

SOURCE: Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2012.

FIGURE 10

Medicaid Coverage of Low-Income Adults, January 2012



NOTE: Map identifies the broadest scope of coverage in the state.

SOURCE: Kaiser Commission on Medicaid and the Uninsured and the Georgetown University Center for Children and Families, 2012.

Implementation Issues Going Forward

- Will states be ready to establish exchanges by 2014?
- Will states accept the enhanced federal funding available to comply with the Medicaid Expansion?
- What coverage options will exist for uninsured adults in states that do not comply with the Medicaid expansion?
- What guidance on implementing the ACA will the Administration provide in light of the Court's decision?
- Will Congress act to amend the ACA?

For additional analysis, see:

- <http://www.kff.org>
- <http://www.healthreformgps.org>, a joint project of the Robert Wood Johnson Foundation and the Hirsh Health Law and Policy Program at GW School of Public Health and Health Services