

US Supreme Court Upholds Health Care Law

In a 5-4 decision, the court ruled that the 2010 Affordable Care Act is constitutional.

BY CALLAN NAVITSKY, ASSOCIATE EDITOR

On June 28, the US Supreme Court resolved the constitutional challenges to 2 provisions of President Barack Obama's 2010 Patient Protection and Affordable Care Act: (1) the individual mandate, which requires individuals to purchase health insurance or incur a penalty, and (2) the Medicaid expansion, which gives funds to states if they provide specified health care to all citizens whose income falls below a certain level.

In a 5-4 decision, the justices ruled that the law's individual mandate is constitutional; this decision was notable in that the deciding vote belonged to conservative Chief Justice John G. Roberts Jr., who sided with the court's 4 more liberal members. With the individual mandate deemed constitutional, the majority of the other provisions of the Affordable Care Act were also upheld, with the exception of the Medicaid expansion. The Supreme Court ruling marked a victory for the Obama Administration and confirmed that this health care overhaul will likely remain at the forefront of the 2012 presidential campaign.

INDIVIDUAL MANDATE

Prior to the ruling, proponents of the individual mandate based their argument on the so-called Commerce Clause of the US Constitution, which gives the federal government power to regulate interstate commerce. They argued that because health care is a national market, the government has power to require citizens to purchase health coverage.

In an interview with *Retina Today*, health-policy expert Dean A. Rosen, JD, explained that the debate surrounding the individual mandate was whether it was an unconstitutional exercise of authority beyond the responsibility that the Constitution gives to Congress to regulate interstate commerce.

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-Chief Justice John G. Roberts Jr.

"People who support the law have said, 'Of course this is a constitutional exercise of power because Congress can regulate and require people to purchase or penalize them if they don't because everyone is going to be part of the health care market at some point; it is an interstate issue,'" Mr. Rosen said. "Opponents of the law have said that it really stretches the bounds of Congress' authority to regulate interstate commerce because this isn't just regulating; this is forcing people into a market that they otherwise may not have been in."

In his ruling, Chief Justice Roberts agreed with the more conservative judges that the individual mandate was not allowed under the Commerce Clause, as Congress does not have the ability to require citizens to buy something they otherwise would not have purchased. However, Chief Justice Roberts held that the individual mandate was valid under Congress' constitutional authority to levy taxes. As the penalty on persons who failed to obtain insurance was essentially a tax, Congress therefore has the authority to impose it.

"Under the mandate, if an individual does not maintain health insurance, the only consequence is that he must make an additional payment to the [Internal Revenue Service] when he pays his taxes," Chief Justice Roberts wrote for the majority. "That, according to

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the Government, means the mandate can be regarded as establishing a condition—not owning health insurance—that triggers a tax—the required payment to the [Internal Revenue Service]. Under that theory, the mandate is not a legal command to buy insurance. Rather, it makes going without insurance just another thing the Government taxes, like buying gasoline or earning income.”

“The Affordable Care Act’s requirement that certain individuals pay a financial penalty for not obtaining health insurance may reasonably be characterized as a tax,” the decision continues. “Because the Constitution permits such a tax, it is not our role to forbid it, or to pass upon its wisdom or fairness.”

MEDICAID EXPANSION

The other key provision of the law is Medicaid expansion, which would require states to expand their Medicaid programs by 2014 to cover all individuals under the age of 65 with incomes below 133% of the federal poverty line. States would also be required to provide all new Medicaid recipients with an “essential health benefits” package; the Affordable Care Act provided that the federal government would pay 100% of the costs of covering these individuals through 2016. However, in the following years, the federal payment level would gradually decrease to a minimum of 90%.

“The other question associated with the Affordable Care Act was whether the Medicaid expansion is an unconstitutional coercion to the states,” Mr. Rosen told *Retina Today*. “There are some previous case laws that say that when states are economically forced to do something, that might amount to a coercion.”

According to the Affordable Care Act, if a state does not comply with the new coverage requirements, it may lose not only the federal funding for those requirements, but all of its federal Medicaid funds. For this reason, the 26 states that opposed the law called the Medicaid expansion coercive. Seven justices agreed that Congress had exceeded its constitutional authority by coercing states into participating in the expansion by threatening them with the loss of existing federal payments.

Rejecting this provision, however, did not deem the rest of the act unconstitutional.

“Congress has no authority to order the States to regulate according to its instructions. Congress may offer the states grants and require the states to comply with accompanying conditions, but the states must have a genuine choice of whether to accept the offer,” Chief Justice Roberts wrote. “The states are given no such choice in this case: They must either accept a basic change in the nature of Medicaid, or risk losing all Medicaid funding. The remedy for that constitutional violation is to preclude the Federal Government from imposing such a sanction. That remedy does not require striking down other portions of the Affordable Care Act.”

POLITICAL RAMIFICATIONS

According to Mr. Rosen, the next question will be: What happens in the election? “Republicans and [presidential hopeful] Mitt Romney have promised to overturn the law; will they get elected, and will that change the course?” he said.

In a press conference following the Supreme Court ruling, Mr. Romney said, “What the court did today was say that Obamacare does not violate the Constitution. What they did not do was say that Obamacare is good law or that it’s good policy. Obamacare was bad policy yesterday. It’s bad policy today. Obamacare was bad law yesterday. It’s bad law today.”

Meanwhile, President Obama said, “Whatever the politics, today’s decision was a victory for people all over this country. Thanks to today’s decision, all of these benefits and protections will continue.” President Obama also addressed the controversial individual mandate provision, which he initially did not support. “People who can afford to buy health insurance should take the responsibility to do so,” he said.

Concluding the majority opinion, Chief Justice Roberts wrote, “The Framers created a Federal Government of limited powers, and assigned this Court the duty of enforcing those limits. The Court does so today. But the Court does not express any opinion on the wisdom of the Affordable Care Act. Under the Constitution, that judgment is reserved to the people.” ■

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