SUPREME COURT TO HEAR CHALLENGE TO THE ACA AFTER ELECTION DAY

The Supreme Court recently announced that it will hear arguments challenging the constitutionality of the Affordable Care Act (ACA) on Nov. 10, 2020—after Election Day. A verdict on the case is expected to be reached during the spring of 2021.

This announcement is the most recent development in this case. Earlier this year, the Supreme Court agreed to hear a legal challenge to the Affordable Care Act (ACA). The case involved is Texas v. Azar, a lawsuit challenging the constitutionality of the ACA’s individual mandate.

ACA LITIGATION

Texas v. Azar was filed in 2018 by 18 states after the individual mandate penalty was eliminated. In December 2019, a federal appeals court ruled in the case that the individual mandate is unconstitutional and directed the lower court to determine whether the rest of the ACA can remain in place.

The Supreme Court had previously denied a request from the U.S. House of Representatives and several Democratic-controlled states to review the case on an expedited basis. The Supreme Court has now agreed to hear the case on its regular schedule, based on the argument that the lower court rulings create uncertainty about the ACA’s future.

This will be the third time the Supreme Court has reviewed the ACA’s constitutionality. In 2012, the Supreme Court upheld the ACA on the basis that the individual mandate is a valid tax. In 2015, the Supreme Court upheld the constitutionality of the ACA’s health insurance Exchange subsidies.

Although the ACA faces an uncertain future, all of its existing provisions are currently applicable.

WHAT'S NEXT?

While this legal challenge is pending, all existing ACA provisions will continue to be applicable and enforced. This challenge does not impact Exchange enrollment, the ACA’s employer shared responsibility (pay or play) penalties and related reporting requirements, or any other applicable ACA requirement.