

Patient Protection & Affordable Care Act (PPACA)

U. S. Supreme Court 2012 Review

I. Individual Mandate – Requirement that U. S. citizens' purchase health insurance

- A. Argument for is based on the federal government's power to regulate interstate commerce
 - 1. Citizens' will receive health care services during their lifetime, which must be paid for
 - 2. Health insurance coverage ensures payment for services received
 - 3. Spreads insurance risk across entire population, eliminating need for coverage exclusions due to existing conditions
- B. Argument against is based on federal government's specific powers as enumerated in the Constitution
 - 1. State governments maintain power to impose health and safety regulations
 - 2. Federal government does not have authority to require citizens to purchase products

II. Medicaid – States acceptance of universal coverage guidelines to receive federal funding

- A. Expansion of coverage eligibility for citizens at federal government approved income levels
- B. Increase in federal funds to cover added costs, plus 10% of funding by states
- C. Reduction in states discretion regarding coverage levels and citizen's eligibility to receive benefits
- D. Clarification as to whether federal rules for funding coerce states to participate

III. Severability – Elimination of portions of PPACA without striking down the entire law

- A. If individual mandate is deemed unconstitutional, will other aspects of the law be upheld
- B. Since Congressional passage of PPACA occurred because of all its parts, does elimination of portions of the law impact legislative support
- C. Reality is that elimination of the individual mandate allows for adverse selection and the continuation of indigent care costs coupled with higher premiums for citizens purchasing coverage

IV. Tax Penalty – Timing for ruling on imposing individual penalties for not purchasing insurance

- A. Federal Anti-Injunction Act (AIA) prohibits challenging tax policy before taxes are assessed
- B. If Individual Mandate penalty is a tax, timing to challenge its legality is 2015, after 2014 income taxes and penalties are due
- C. The Supreme Court will rule on whether the penalty is a tax and the timing impact of AIA

V. U. S. Supreme Court review projected timeframe

- A. Proceedings commence March 2012
- B. Rulings to be released June 2012

