Latest ACA ruling: What it means now for doctors, patients

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What’s in the news: The 5th U.S. Circuit Court of Appeals has ruled in the case of Texas v. United States that the Affordable Care Act’s individual mandate provision is unconstitutional. While that ruling affirmed a portion of the decision by the U.S. District Court for the Northern District of Texas, the appeals court did not go along with district court ruling vacating the entirety of the ACA, which has expanded health insurance coverage for tens of millions of Americans.

Instead, the appeals court has remanded the case to the district court to further analyze which of the ACA’s many vital provisions remain constitutionally valid.

The “decision leaves important health insurance protections shrouded in uncertainty despite overwhelming public support for these policies,” said AMA President Patrice A. Harris, MD, MA. “The decision underscores that the district court’s initial ruling striking down the entire ACA was made without appropriate analysis, ignoring the extensive reach of the law and its many provisions that have no relationship to the individual mandate.”

Why it matters for patients and physicians: The sweeping ACA law touches on many aspects of health care system reform, research funding and pilot programs with little to no connection with the question of whether it is constitutional to mandate that Americans purchase individual health insurance coverage.

Some of the broadly supported protections provided by the ACA include:

- Access to their parents’ plan coverage for young adults up to age 26.
- Elimination of annual and lifetime caps on benefits.
- No preexisting condition coverage exclusions or medical underwriting.
- Coverage of prevention and screening benefits with no deductibles or copayments.
- Required coverage for mental health and addiction treatment services.
- Federal support for expanded Medicaid eligibility.
- Premium subsidies for low- and moderate-income individuals and families to purchase
coverage and cost sharing subsidies to lower out-of-pocket costs.

For now, here are some keys for doctors and patients to understand about this complicated legal matter.

**This case still has a way to go** before being fully resolved in the courts. It is possible that a full panel of the appeals court will hear the case, given the strong dissent in the case by Judge Carolyn Dineen King. She argued that the individual mandate is constitutional, and that even if it were unconstitutional the rest of the ACA should be considered “severable,” meaning that it should not be vacated or ruled unconstitutional.

Even if a full-panel hearing does not happen, the district court would have to issue its ruling in the remanded case. The appeals court opinion requires the district court to engage in two separate inquiries.

First, the district court must examine with a finer-toothed comb whether the other parts of the ACA are severable. This inquiry in turn has two parts: the district court must look at the 2017 amendments to the ACA in determining severability, and the court must determine whether the other provisions of the ACA are inextricably linked to the individual mandate. The bottom-line question is whether Congress would prefer no ACA at all to an ACA without the individual mandate.

Second, should the individual mandate be struck down only in the plaintiff states? And should any other provisions that are found not to be severable be struck down only if they injure the plaintiffs—since many of the provisions of the ACA have no impact on the plaintiff states or the individual plaintiffs?

After the district court has conducted this analysis and issued a ruling, then the case will likely proceed back to appeals court and then, assuredly, to the U.S. Supreme Court. The matter is unlikely to be resolved prior to the 2020 presidential election.

**The individual mandate already has a zero-dollar penalty** and is not being enforced, due to 2017 federal legislation.

**The protections for patients** with preexisting conditions continue to stay in effect.

**Sign-ups continue as before for insurance coverage** under the ACA-enabled marketplace exchanges as well as for expanded Medicaid in the states that have enacted it. Patients in Rhode Island, California, Massachusetts and New York still have some time before their enrollment deadlines for the 2020 coverage year.

**What’s next:** The AMA filed an amicus brief in the *Texas v. United States* case and will continue its
efforts to safeguard the patient protections and health insurance coverage that the ACA has provided to millions of Americans.

The AMA “will work to ensure the district court understands the extensive scope of the ACA’s many provisions that are unrelated to the individual mandate,” Dr. Harris said.

Learn more about the AMA vision on health care reform.