

Affordable Care Act survives challenge before the Supreme Court

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What's the news: The Affordable Care Act (ACA) has withstood another legal challenge. By a 7-2 decision in *Texas v. California*, the U.S. Supreme Court ruled that Texas, along with several other states and individuals, did not have legal standing in their efforts to strike down the law.

In the case, formerly known as *Texas v. United States*, plaintiffs argued that congressional passage of the 2017 Tax Cut and Jobs Act, which reduced the ACA's individual tax penalty to \$0 made that provision unconstitutional. And, they argued further, the provision could not be severed from the rest of the law—making the ACA, in its entirety, unconstitutional.

The U.S. District Court for the Northern District of Texas agreed, and its 2018 decision was partially upheld a year later by the 5th U.S. Circuit Court of Appeals. The Supreme Court did not rule on the questions of ACA's validity, but it said Texas and the other plaintiffs “lack the standing necessary to raise them.”

The plaintiffs did not have standing to challenge the “minimum essential coverage provision because they have not shown a past or future injury fairly traceable to defendants' conduct enforcing the specific statutory provision they attack as unconstitutional,” the court said in a ruling written by Associate Justice Stephen G. Breyer. The AMA first raised the issue of standing in its amicus brief in the district court.

Why it's important: The ruling allows ACA provisions such as guaranteed coverage for patients with preexisting conditions (including COVID-19), premium tax credits to make health insurance more affordable, the Medicaid expansion, and first-dollar coverage of certain preventive services to stand.

“Today's decision by the U.S. Supreme Court is a victory for patients and for the gains in health care coverage achieved through the Affordable Care Act,” said AMA President Gerald E. Harmon, MD. “The AMA is pleased that the high court rejected the challenge to the ACA, thereby upholding critical

patient protections that are improving the lives and health of millions of Americans, particularly amid a global pandemic.”

After the Supreme Court announced it would review the case, the AMA was joined by 20 other leading physician organizations in filing an amicus brief telling the high court that Congress never intended to invalidate the entire ACA when it zeroed-out the tax for failure to comply with the individual mandate.

Along with the legal arguments, the brief also explains why it would be unwise to strike down a law currently “serving as the backbone of the safety net for the millions of Americans facing sudden unemployment” due to the COVID-19 pandemic.

What’s next: The AMA continues to advocate for expanded coverage and key health insurance reforms to help patients. Numerous studies have found that uninsured patients live shorter and sicker lives. Building upon the progress of the ACA in covering millions of Americans and ensuring critical patient protections remains one of the highest priorities of the AMA.

“With yet another court decision upholding the ACA now behind us, we remain committed to strengthening the current law and look forward to policymakers advancing solutions to improve the ACA,” Dr. Harmon said.

“The AMA will continue working to expand access to health care and ensure that all Americans have meaningful, comprehensive, and affordable health coverage to improve the health of the nation,” he added in his written statement. “We have a plan—’2021 and Beyond: AMA’s Plan for the Uninsured’—to do just that.”

Learn about the how the Litigation Center of the American Medical Association and State Medical Societies advocates for patients and physicians through the legal system.