

### ***Supreme Court Upholds Healthcare Ruling – June 28, 2012***

The U.S. Supreme Court's ruling upholding the constitutionality of the Affordable Care Act means the law's underwriting and rating reforms that are already in effect will remain in effect. Those reforms include the ability of young adults to stay on their parents' policies and the reduction in Medicare Part D copays, among others.

Reforms going into effect in 2014 also remain on track. Those include the ban on denying coverage on the basis of a preexisting condition and on setting insurance premiums on the basis of health status or gender.

In its 5-4 ruling, the Supreme Court said the health reform act's individual mandate provision, requiring individuals to have health coverage, could not be supported under the Constitution's Commerce Clause, but the majority held that the tax imposed on those who don't buy insurance is constitutional under the taxing powers granted Congress.

"The most straightforward reading of the individual mandate is that it commands individuals to purchase insurance," Chief Justice John Roberts says in the decision. "But ... the Commerce Clause [of the Constitution] does not give Congress that power. It is therefore necessary to turn to the Government's alternative argument: that the mandate may be upheld as within Congress's power to 'lay and collect taxes.'"

Roberts wrote the majority decision and was joined by Justices Ginsberg, Breyer, Sotomayor, and Kagan in upholding the law.

The Court also upheld provisions of the law that expand eligibility for Medicaid to a larger number of low-income individuals, but specified that the law's provision denying federal Medicaid funding to the states that don't expand eligibility is not acceptable.

NAR is reviewing the decision and will be providing more information on the impact of the ruling to its members.