

## Supreme Court Finds Health Care Reform Constitutional

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On June 27, 2012, the U.S. Supreme Court issued its decision in *National Federation of Independent Business v. Sebelius*, upholding the constitutionality of the Patient Protection and Affordable Care Act of 2010 (the "ACA").

The Supreme Court, by a vote of 5 to 4, with Justice Roberts siding with the more liberal justices, upheld the constitutionality of the ACA, including the controversial individual mandate. However, in what was an unexpected turn of events, the Supreme Court did not find the individual mandate constitutional as an exercise of the Commerce Clause, instead finding the individual mandate permissible as a valid tax, with Justice Roberts writing in the majority opinion, "Such legislation is within Congress's power to tax."

As a result of the decision, federal and state governments will be required to continue to implement the provisions of the ACA, including the formation of health insurance exchanges that will begin providing coverage in 2014. Employers that maintain group health plans will also have to move forward with the implementation of the ACA's applicable provisions, including satisfaction of the upcoming Summary of Benefits and Coverage requirements.

Reed Smith will continue to monitor and provide guidance regarding the impact of the decision on the ACA and Congress' reaction to the decision. In the interim, for questions regarding this benefits alert, health care reform, or health and welfare benefit plan compliance, please contact one of the authors listed, or the Reed Smith attorney with whom you usually work.

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