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# ***THE GROUP BENEFIT NEWS BULLETIN***

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**\*\*\*Breaking News\*\*\***

## **D.C. Federal Appeals Court Strikes Down Major Provision of The Affordable Care Act**

A Washington, D.C. Federal Appeals Court panel struck down one of the major tenants of the Affordable Care Act (Obamacare) this week. The judges ruled in favor of the plaintiffs, stating that the language in the law would prevent the Federal government from providing subsidies to individuals enrolled through Healthcare.gov – the federal Exchange/Marketplace for states that did not establish their own Healthcare Exchange/Marketplace.

Currently, there are 27 States that did not build their own Exchange/Marketplace, and 9 States have partially opted-out. The Federal government relies heavily on these subsidies in order to make health insurance affordable as well as making the Exchanges viable.

Senior Circuit Judge Raymond Randolph included in his majority opinion, “Section 36B plainly makes subsidies available in the Exchanges established by the states. We reach this conclusion, frankly, with reluctance. At least until states that wish to, can set up their own Exchanges, our ruling will likely have significant consequences both for millions of individuals receiving tax credits through federal Exchanges and for health insurance markets more broadly.”

In other lower courts, rulings have sided with the government, arguing that the law’s context made it obvious that Congress’s intent was for nationwide availability of subsidies. With this dissent at the district level courts, this case could be heard before the entire D.C. Circuit of Appeals, if the government elects to do so. However, indications appear that this case will ultimately be decided by the U.S. Supreme Court (SCOTUS). If the Federal government does not request an emergency hearing, this process could take several months before reaching SCOTUS.

The unsettled nature of this ruling could have major implications during the upcoming Open Enrollment for the Exchanges this fall, as approximately 4.7 million Americans are covered through Healthcare.gov and receive tax subsidies. However, this ruling does not impact any other ACA provisions related directly to Employers.

As always, TBPG will continue to monitor all updates and keep you informed of any pertinent information. If you have any questions, please contact your TBPG representative.

The Benefit Planning Group  
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