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

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**\*\*\*UPDATE\*\*\***

## **Appeals Courts Reach Conflicting Decisions On Exchange Subsidies**

Hours after a D.C. Circuit Court determined that the Federal government could not legally provide tax subsidies for individual health coverage purchased through Healthcare.gov, the Fourth Circuit Court panel in Richmond, VA determined that the subsidies are indeed permissible.

The Fourth Circuit panel upheld the subsidy provision, noting that the IRS rule was “a permissible exercise of the agency’s discretion.” The panel went on to mention that the language of the Affordable Care Act is “ambiguous and subject to multiple interpretations.”

The White House rejected the D.C. ruling and has indicated that the Justice Department would ask the full court to review the decision. Currently, at least two other cases regarding subsidies are pending in federal district courts, in Oklahoma and Indiana. The outcomes of these cases will likely add to the conflict, setting the stage further for final decision at the U.S. Supreme Court (SCOTUS).

Of the roughly 5.4 million people currently enrolled through Healthcare.gov, 4.7 million (87%) of those qualify for the subsidies. According to the White House, those people will continue to receive the subsidies until the issue is resolved.

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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