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High court affirms most of Affordable Care Act in 5-4 ruling

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The Supreme Court upheld the linchpin of President Obama's health care reform this morning, ruling 5-4 that Congress can use its taxing power effectively to compel all Americans to buy health coverage by 2014.

The court's long-awaited decision also preserves a dramatic expansion of Medicaid coverage, a mandate that all states form health insurance exchanges, federal subsidies to help people pay for coverage, and insurance coverage reforms.

The ruling on the U.S. Patient Protection and Affordable Health Care Act also allows Gov. Dannel P. Malloy's administration to dodge a fiscal bullet, specifically the potential loss of between \$150 million and \$200 million in federal reimbursements for Connecticut's Medicaid for Low-Income Adults (LIA) program.

"We dodged a cannonball," said Ellen Andrews, executive director of the Connecticut Health Policy Project, a New Haven-based, nonprofit health care advocacy group. "It could have been horrible."

Andrews said an estimated 130,000 additional uninsured Connecticut residents are expected to obtain subsidized coverage through the act's Medicaid expansion by 2016.

Despite contrary predictions from many legal experts, the nation's highest court didn't rely on Congress' constitutional authority to regulate interstate commerce to decide the fate of health care reform. Rather the justices ruled that the health insurance requirement could be upheld through Congress's taxing authority, effectively allowing a tax on those residents without health coverage.

The ruling supporting arguably the biggest achievement of the Democratic president's first term

quickly was greeted with praise by Connecticut's all-Democratic delegation on Capitol Hill.

"Today's ruling is a landmark moment in the fight for stable, secure health coverage for all Americans," U.S. Rep. Joseph Courtney, D-2nd District, said. "Congress debated, the Supreme Court decided, and now the implementation of the Affordable Care Act can move forward."

"This is a victory for the American people," added 3rd District Congresswoman Rosa DeLauro, a New Haven Democrat. "Families across the country will benefit from the Supreme Court's decision to uphold the Affordable Care Act. Women will still have access to affordable preventative services, children with pre-existing conditions will get the care they need and seniors will continue to save billions on their prescription drug costs."

Rep. John Larson, D-1st District, said, "I commend the Supreme Court and certainly Justice Roberts in a 5-4 decision that protected the commerce clause in this instance and aided 40 million Americans who otherwise would not have health care."

"The Supreme Court did the right thing, and today, Connecticut residents can have confidence that they will get better and more affordable care in the years to come," said U.S. Rep. Chris Murphy, D-5th District, a candidate for U.S. Senate.

Republicans were quick to denounce a decision that will dominate congressional and presidential campaigns, at least short term.

"Today's decision by the High Court is extremely disappointing. The American people were told that this legislation would lower costs. It hasn't. They were told that it would not increase taxes. It does," said Linda McMahon, a Republican candidate for U.S. Senate.

"In light of this decision, the power to determine the future of Obamacare and our nation's health care policy returns to Congress," said state Sen. Andrew Roraback, R-Goshen, a candidate for Congress in the 5th District. "I continue to believe that this federal solution will prove to be both unworkable and unaffordable and should be repealed as it was neither read nor understood by members of Congress before its passage."

Shortly after the health act passed in 2010, Connecticut became the first state to expand Medicaid, creating a program for poor adults who don't have minor children. With Thursday's ruling the federal government still will fund the full cost of that coverage beginning in 2014, when all states would have had to offer Medicaid to a wider group of poor adults.

Connecticut became the first state to move its state-funded health program for poor adults without children under the federal Medicaid umbrella in mid-2010.

By essentially converting State Administered General Assistance into LIA, Connecticut

immediately qualified for 50 percent federal reimbursement.

In addition, state legislators broadened the program when it was converted to LIA, allowing young adults who meet income guidelines to qualify for coverage up to age 26, if they still live with their parents. Lawmakers also said insurers couldn't exclude patients under age 19 from coverage because of pre-existing conditions.

While 47,000 general assistance clients had been transferred to LIA when the latter program was launched in mid-2010, more than 74,750 individuals were covered by LIA at the beginning of 2012, and nearly 77,800 are now, according to DSS.

The conversion to LIA immediately gave Connecticut an extra \$53 million in federal reimbursement funds.

And, under the upheld patient protection act, that program still will get a huge infusion of federal aid 12 months from now.

In the state fiscal year that begins July 1, 2013, federal reimbursement would jump to 100 percent.

But the program already is budgeted at more than \$460 million for the fiscal year that begins next month. Even if costs were to remain flat in 2013-14, the difference between 100 percent and 50 percent federal reimbursement is roughly \$200 million.

That potentially would have been a huge loss for Connecticut had the federal statute been struck down, given that the state already has potential fiscal problems 12 months from now.

When Malloy proposed a \$20.73 billion budget for the 2012-13 fiscal year in February, his administration estimated that plan would run \$424 million in deficit by 2013-14.

The governor and his fellow Democrats in the legislature's majority cut about \$190 million off Malloy's original bottom line when they approved a \$20.54 billion budget last month.

But while those cuts helped mitigate long-run deficit projections, fiscal analysts for the executive and legislative branches agreed at the same time to downgrade revenue expectations for the coming year by \$234 million and by more than \$310 million in 2013-14.

"The Supreme Court has taken a historic stand," Malloy and Lt. Gov. Nancy Wyman wrote in a joint statement. "This decision demonstrates that the nation will do the right thing in ensuring accessible, affordable health care for all Americans. With (the Supreme Court) validating the law, Republicans in Congress should cease their efforts to repeal the reforms and instead join President Obama in focusing on job creation. In Connecticut, we've been leading the way on this issue—we never stopped working, and today's decision is an affirmation of everything we've worked so hard

to prepare. Now let's make sure we continue to implement this historic, positive change."

Technically, the Supreme Court did strike down one aspect of the Medicaid expansion. Under the act, states must expand their Medicaid coverage or be unable to participate in the program entirely, risking billions in federal aid. The court ruled states upheld the expansion provisions, but struck down language requiring states to participate.

But Andrews said that really isn't a worry for health care advocates in Connecticut, given that the Nutmeg State has embraced the Medicaid expansion -- both under Malloy, a Democrat, as well as under his Republican predecessor, M. Jodi Rell, in 2010.

"The Medicaid expansion is vital to the goal of covering the uninsured in our state," Victoria Veltri, the state's healthcare advocate, said. The Supreme Court's ruling today is a very welcome victory for consumers who have already benefited and those who will soon benefit from the broad reforms in the ACA."

Veltri added that her office already has received approximately \$530,000 in consumer assistance program grants under the federal act. "With that funding, (the office) has served thousand of Connecticut residents in enrollment in and education on healthcare coverage and direct assistance with grievances and appeals," she said.

Connecticut officials also have been at work for nearly a year to create a health insurance exchange, a marketplace that was required under the federal law to sell coverage to individuals and small businesses.

"This historic decision upholds decades of work to ensure that millions of uninsured Americans, including at least a half million Connecticut residents, have access to health care," state Comptroller Kevin P. Lembo said. "This victory, while critical, is only a new starting point. The federal government -- and Connecticut -- must maintain momentum to reform and improve our health-care system at every level."

Malloy this week named Kevin J. Coughlin, who helped implement the nation's first health care reform law in Massachusetts to lead Connecticut's exchange, an effort that now will continue.

The federal legislation made a number of changes to the rules health insurers must play by. This included requiring insurers to cover preventive care with no out-of-pocket costs to members and to cover members' kids up to 26. It also prohibited them from denying coverage to children with pre-existing conditions.

Increasing support for community health centers

The Court's decision also reaffirms support for expanding access to health care through the

nationwide network of Community Health Centers to more communities across the country. This means that in the years ahead all newly insured people and communities identified as having little or no medical coverage, will gain access to doctors, nurses and other health care professionals, and a quality cost-effective primary care service.

"This is very exciting news," said Mark Masselli, President/CEO at Community Health Center, Inc. in Middletown, who was already optimistic about the decision. "This decision reminds me of a similar historic time back in 1965 when Congress responded to the medical insurance crisis by creating Medicare and Medicaid programs that were then signed into law."

The Affordable Care Act increases the funding available to community health centers in all 50 states, including the 182 existing community health centers in Connecticut. Health centers in Connecticut have received \$34.6 million to create new health center sites in medically underserved areas, enabling them to increase the number of patients served, expand preventive and primary health care services, and/or support major construction and renovation projects.

"Now that we are past this decision, we have to work towards improving primary healthcare delivery and prepare for a proper implementation of the law," added Masselli.

Thursday's ruling also was hailed as a victory both the state's chief medical society and by its largest health care workers union.

"Although the law does not guarantee patients access to medical care, it removes an important barrier to care, which is the ability to have health insurance coverage," said Dr. Michael M. Krinsky, president of the Connecticut State Medical Society. "Clearly even large insurance companies have come to understand the benefits of extending insurance coverage to young adults under their parents' policies in agreeing to leave those benefits in place no matter the outcome of the decision. "

"Today's decision means that cancer survivors will have the health care they need, that young adults struggling to find that first good job that offers health insurance within their budgets can continue to have health care coverage under their parents' plan, and that our nurses can continue to deliver the care and treatment their patients deserve," wrote David Pickus, president of District 1199 of the New England Health Care Employees Union.

Mirror reporters Aroosa Masroor and Jan Ellen Spiegel contributed to this story.

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