

## **Alert** | Health Care & FDA Practice



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### **U.S. Supreme Court Rejects Latest Challenge to ACA in 7-2 Ruling**

On June 17, 2021, the U.S. Supreme Court rejected a long-anticipated challenge to the Patient Protection and Affordable Care Act, known as the “Affordable Care Act” (ACA). This was the third case in a trilogy of challenges to the ACA. *See California et al. v. Texas et al.*, No. 19-840.

In a 7-2 **decision**, the Court held that the state of Texas (along with over a dozen states and two individuals) simply lacked standing to challenge the constitutionality of a statutory mandate with no consequences. Justices Alito and Gorsuch dissented, and Justice Coney Barrett joined the majority.

The Court did not reach the merits of the appeal, which concerned whether the individual mandate provision of the ACA, previously determined to be unconstitutional, may be severed from the rest of the law or whether the entire law must be struck down. Basically, the plaintiffs argued that if the individual mandate provision was unconstitutional, the entire ACA was unconstitutional.

Instead, the Court determined that the plaintiffs lacked standing, explaining that the plaintiffs could not demonstrate any actual injury traceable to the penalty for violating the individual mandate, which was established in 2017 at an amount of \$0.

From its inception, the status of this case has been of concern to a wide variety of stakeholders in the health care industry. Beginning with the ruling by a federal district court in Texas that invalidated the ACA in its entirety, to the Fifth Circuit Court of Appeal’s ruling that only the individual mandate was

unconstitutional while the rest of the ACA should remain intact, onlookers have eagerly anticipated the Supreme Court's decision on this matter.

**For now, the ACA remains the law of the land.**

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