

# Compliance Alert

## Health Reform Individual Mandate is Ruled Unconstitutional by One Appeals Court and Constitutional by Another

In the last 45 days two separate federal appeals courts have come to opposite decisions regarding the constitutionality of the individual mandate contained in the Affordable Care Act (ACA). Beginning in 2014, the individual mandate requires most Americans to purchase minimum health insurance coverage or face financial penalties.

On June 29<sup>th</sup>, 2011, the Federal Court of Appeals for the 6<sup>th</sup> Circuit found (in a 2-1 decision) the individual mandate provision of ACA constitutional. The Court found *“that the minimum coverage provision is a valid exercise of legislative power by Congress under the Commerce Clause.”*

However, in a decision announced August 12<sup>th</sup>, 2011, the 11th Circuit Court of Appeals has ruled (also in a 2-1 decision) the ACA individual mandate is unconstitutional. The ruling affirms a lower court decision in a case filed by 26 states. However, the appeals court disagreed with a significant portion of the lower court's ruling, and will allow other provisions of the ACA to remain "legally operative."

These opposite decisions, by two different appeals courts, all but guarantees that the issue will be eventually decided by the Supreme Court.

*The McCart Group will continue to update you on the regulations as they are released.*

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