

Supreme Court case could spell the end of ACA

On 4 March 2015, the US Supreme Court will be issuing a ruling that has the potential to bring the 2010 Affordable Care Act (ACA) to its knees, should the decision favour the plaintiffs.

The plaintiffs of the case – King versus Burwell – are arguing that the federal subsidies that have enabled millions of US consumers to purchase health insurance through the ACA's online federal exchange are illegal.

In particular, they argue that the subsidies were to be provided through an "exchange established by the state"; however, in reality, only 13 states and the District of Columbia set up such exchanges, with the remainder allowing the federal government to run theirs. This has meant that the Internal Revenue Services (IRS) has distributed subsidies as tax credits through both state-run and federal exchanges – a decision the plaintiffs say the IRS had no authority to make.

In defence, the administration says that reading the law in its entirety makes it clear that the subsidies are intended for anyone purchasing health insurance on any exchange, not just state-run exchanges.

Experts warn that a decision favouring the plaintiffs could cripple the US health system by forcing 8–10 million citizens to drop their health insurance, resulting in jumps in premiums and a sharp drop in revenue for hospitals preparing to care for newly-insured people.

A simple one-page bill striking the language in question from the law would be enough to resolve the problem, but the Republican party – who have campaigned tirelessly against the bill and are currently in control of the US House of Representatives and the Senate – are unlikely to support this move, says Michael McCarthy for the *BMJ*.

While the Republicans have said they have contingency plans in place should the decision favour the plaintiffs, the Obama administration say they have not: "we know of no administrative actions that could, and therefore we have no plans that would, undo the massive damage to our health system that would be caused by an adverse decision", wrote health and human services secretary, Sylvia Burwell, in her letter to the Senate.