Dueling decisions create confusion over government healthcare subsidies

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SALT LAKE CITY, Utah- (ABC 4 Utah) – The battle over the Affordable Care Act took a dramatic turn Tuesday.

Two conflicting rulings put government paid subsidies in question for millions of Americans who signed up, including thousands here in Utah.

A federal appeals court in Washington DC struck down a key component of the law.

In a 2-1 vote the court ruled the government can not subsidize premiums for those that signed up for insurance through the federal marketplace, healthcare.gov.

Not far away, in Virginia another appeals court unanimously ruled it could.

"The subsidies made it affordable for them and to take those subsidies away completely erases the idea of national health reform, because people would not be able to afford the insurance they now depend on," said Jason Stevenson, with Utah Health Policy Project, an advocacy group funded by the ACA.

He says at nine points in the law it states subsidies are available to those who sign up through an exchange established by the state.

Here's the problem, Utah and 35 other states decided to use the federal exchange.

In our state 84,601 people signed up on the federal exchange, 87% of them
qualified for assistance.

"We believe higher courts are going to see that this is a lawsuit based on a type-o and it really doesn't pass the common sense test," said Stevenson.

While Stevenson is confident the Virginia ruling will prevail, Representative Chris Stewart, of Utah’s 2nd Congressional District says the conflicting messages are just another example of a bigger problem.

"I think it comes back to this famous line by Nancy Pelosi where she said we've got to find out what's in the law after we pass it. And we're just continuing to find the surprises in this thing," said Stewart.

He and other congressional republicans believe the law is unsustainable, they want to repeal and replace.

"Start over and try to provide insurance for those who need it, which we all want to do, but do it in a way that doesn't rip the heart out what was the best health care system in the world," said Stewart.

The two decisions are on a collision course that may end up at the Supreme Court.

In the meantime, Utahns will continue to receive subsidies.

"There is no impact right now on people in Utah or across the country. The insurance they have today is going to stay there, they can depend on it, they can use it, they can go see their doctor," said Stevenson.

The Obama Administration plans to ask all 11 judges in the Washington circuit to review the case.

Stewart and other republicans have signed on to an alternative known as the American Healthcare Reform Act. He hopes the House will take it up during this current session.