

# Supreme Court Rules Obamacare Subsidies are Constitutional

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Link: <http://utahpolicy.com/index.php/features/today-at-utah-policy/6121-supreme-court-again-rules-in-favor-of-obamacare>

In a 6-3 decision Thursday morning, the Supreme Court once again upheld Obamacare, ruling that federal subsidies to purchase health insurance are constitutional.



Originally, the ACA provided subsidies for people who don't get their health insurance from an employer to buy insurance through exchanges. Many states declined to set up their own exchanges, meaning the federal government had to step in. A provision of the ACA said those subsidies are only available if you purchase health insurance through an exchange "established by the State." King v. Burwell challenged the federal subsidies based on that language.

34 states defaulted to the federal exchanges instead of setting up their own following the passage of the ACA. An estimated 87% of enrollees in the federal exchanges receive subsidies, which translates to about 6.4 million Americans according to the Obama administration.

The decision means the estimated 67% of Utahns who use the federal health care exchanges will be able to keep their subsidies.

This is the second time the Supreme Court has ruled that key elements of the Affordable Care Act are constitutional.

Chief Justice John Roberts, writing the majority opinion, said, "Congress passed the Affordable Care Act to improve health insurance markets, not to destroy them."

Justice Antonin Scalia said in his dissent "We should start calling this law SCOTUScare."

Utah's efforts to find a solution to Medicaid expansion under the ACA will likely accelerate now that the high court has upheld the subsidies. [In a May interview](#), House Speaker Greg Hughes told UtahPolicy that "Once it comes down (the decision), we will be able to pick up the pace."

Gov. Gary Herbert has set a July 31 deadline for his "group of six" to come up with a plan for Medicaid expansion.