

U.S. Supreme Court Upholds Constitutionality of Individual Mandate

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In a 5-4 decision, the U.S. Supreme Court upheld the constitutionality of the individual mandate under the Patient Protection and Affordable Care Act (PPACA). The Court held that Congress has the power to adopt the individual mandate under its taxing power, but not pursuant to its authority under the Commerce Clause of the U.S. Constitution. In regards to the Medicaid Expansion under PPACA, the Supreme Court held that the Secretary of Health and Human Services cannot withdraw existing Medicaid funds to states for failure to comply with the requirements set out in the Medicaid Expansion. The overall Medicaid Expansion was otherwise upheld. Since the provisions of PPACA affecting employer-provided health plans have been upheld, employers must continue to comply with all applicable provisions of PPACA. *National Federation of Independent Business v. Sebelius*, No. 11-393 (S. Ct. June 28, 2012).