



HAYS COMPANIES

Supreme Court Dismisses ACA Challenge

The Supreme Court released its long-awaited decision regarding the constitutionality of the Affordable Care Act (ACA) when there is a \$0 penalty for an individual's failure to maintain minimum essential coverage under the ACA's individual mandate.

The Court, in a 7-2 decision, decided to not address the constitutionality question and instead focused on the fact that the state of Texas, the other joining states, and the two joining individuals lacked standing to challenge the law because, "they have not shown a past or future injury fairly traceable to defendants' conduct enforcing the specific statutory provision they attack as unconstitutional." In other words, since they could not show they were harmed by the individual mandate, they didn't have standing to challenge its constitutionality.

It is impossible to know whether this is the end of the ACA litigation, but it is certainly the end of this chapter. The ACA will remain the law of the land for the foreseeable future. The decision, in conjunction with the Biden administration's focus on bolstering the ACA, means plan sponsors should continue to be vigilant about their ACA compliance, especially since increased enforcement of the different provisions of the ACA is not unimaginable.

The Hays Companies Research and Compliance Team will continue to monitor these developments.

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