



HEALTH ISSUES

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U.S. Court of Appeals Rules Affordable Care Act Individual Mandate Unconstitutional

The 5th U.S. Circuit Court of Appeals issued a [decision](#) on Dec. 18 ruling the [individual mandate](#) of the Affordable Care Act (ACA) unconstitutional. In a 2-1 decision, the court struck down the requirement that people must obtain a basic level of health insurance under the ACA, citing that the mandate cannot stand after the tax penalty for not having insurance was reduced to zero as part of the Tax Cuts and Jobs Act of 2017.

While the case rules the individual mandate unconstitutional, the federal appeals court also remanded [Texas v. Azar](#) back to the U.S. District Court for the Northern District of Texas to determine which parts of the law would stand, as U.S. District Judge Reed O'Connor struck down the law entirely last year. O'Connor suggested that the individual mandate was not severable from the ACA, therefore making the entire law unconstitutional. The California attorney general has suggested he will petition the Supreme Court to consider the 5th Circuit's ruling.

The American Academy of Actuaries Health Practice Council previously submitted a [letter](#) in 2017 to the U.S. House and Senate providing comments on potential consequences of eliminating the ACA's individual mandate.

If you have any questions regarding this *Academy Alert*, please contact David Linn, senior policy analyst (linn@actuary.org, 202-785-6931).

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