

HEALTH ISSUES

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U.S. Supreme Court Denies Insurer Appeal on Affordable Care Act Reimbursements

The United States Supreme Court on Monday declined to hear appeals brought by health insurance companies seeking full reimbursement from the federal government under a provision of the Affordable Care Act (ACA). The insurers' writ of certiorari for appeal before the Court had stated they were owed reimbursements for each year they did not receive federal government payments under the ACA's cost-sharing reduction payments (CSR) program.

In a related case in April 2020, the Supreme Court [ruled](#) in an 8-1 decision that the federal government must pay private insurers up to \$12 billion through the ACA's Risk Corridor Program, intended to mitigate insurers' risks when selling coverage to previously uninsured individuals. The present bid brought by private insurers related to a separate ACA provision requiring the government to reimburse insurers for cost-sharing payments like deductibles and co-payments. In August 2020, the U.S. Court of Appeals for the Federal Circuit [held](#) (additional [link](#)) that the ACA obligated the government to make up losses insurers suffered when they reduced low-income members' cost-sharing obligations. The appeals court also held that the damages assessed against the federal government must be mitigated for those insurers that adopted "silver loading" practices in which they raised premiums on mid-level, or silver, health plans. The Court of Appeals found that because ACA tax credits available to subsidize low-income members' purchases of health plans rose in accordance with the increased premiums, insurers received additional tax credits that balanced out their losses.

In a busy period for the Supreme Court in issuing decisions, this week's CSR ruling comes on the heels of the Court last week [dismissing](#) in a 7-2 decision a challenge contending that the ACA's individual mandate was unconstitutional, thus upholding the ACA.

If you have any questions regarding this *Academy Alert*, please contact Matthew Williams, senior health policy analyst (williams@actuary.org; 202-868-7001).

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