House Republicans Win Legal Challenge to Obamacare

The ruling is of particular concern to people living with HIV and those receiving financial assistance.

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A federal judge decided in the favor of House Republicans against the Affordable Care Against (ACA), ruling that the Obama Administration overstepped its powers on government spending. The key argument in the lawsuit is over an implementation technicality, whether the money spent on subsidies paid to insurers requires annual appropriations by Congress. Under the ACA, health insurance companies must reduce prices for low-income enrollees of the federal exchange by limiting out-of-pocket costs like deductibles and co-pays (premiums are not targeted directly in the suit). In return, the federal government reimburses insurers to offset the expenses, about $130 billion over 10 years.

"Congress authorized the program but never actually provided the money for it," wrote U.S. District Court Judge Rosemary M. Collyer, a George W. Bush appointee. "Congress is the only source for such an appropriation, and no public money can be spent without one."

House Republicans praised Judge Collyer's ruling as a needed check on the White House's constitutional power overreach, arguing that the legislative branch, not the executive branch, authorizes federal spending. They claimed that the Administration violated the U.S. Constitution by spending money without approval from Congress, now controlled by a Republican majority. Originally when then-House Speaker John Boehner (R-Ohio) filed the lawsuit in 2014, both the employer mandate and cost-sharing subsidies were challenged. Judge Collyer, who tends to lean conservative, threw out the first claim but allowed the latter to move forward on the grounds of questions over separations of powers.

The White House slammed the court decision and is expected to appeal to the D.C. Circuit Court of Appeals—where a majority of Democratic appointees exist and therefore would receive a friendlier hearing. They first tried to block the litigation on procedural grounds, arguing that the legislative

branch lacked the standing to sue the President over what is essentially a political battle, not a legal one. The Administration contended that the language in the ACA meant the subsidies were permanent funds and therefore not subjected to the annual legislative appropriations process.

If the ruling stands and cost-sharing subsidies are eliminated, the hardest hit would be the millions of Americans who benefit from this financial assistance. Additionally, major spikes in insurance premiums and premium tax credits would likely occur at the expense of customers and federal government, respectively. This is particularly concerning for people living with or at-risk for HIV, as many are already experiencing diminished access to health care due to poverty, homelessness, and/or stigma and discrimination. Without the subsidies, the U.S. health care system will bear the burden of increased transmission of HIV, where the lifetime cost of HIV treatment is about $380,000 per person according to the Centers for the Disease Control and Prevention. This is only one example of the devastating consequences as it relates to HIV—let alone other illnesses impacting poor Americans—if the court decision is carried out.

The lawsuit is the latest in a series of Republican led legal challenges to Obama's signature health law in which the Supreme Court has ruled twice in the law's favor in 2012 and 2015. The litigation is still in its early stages and if the ruling stands, it wouldn't completely gut the ACA but would push insurance costs higher. In the meantime, cost-sharing subsidies are allowed to continue, pending appeal. If the Obama Administration is not successful in its appeal, then House Republicans will most likely face a legal battle brought by health insurance companies arguing that they are owed federal funds regardless of whatever procedure Congress decides on. All and all, the suit creates some uncertainty over the future of health care in America ahead of the 2016 presidential and congressional elections, including whether enough insurers will participate in the federal exchange. However given the time it takes to appeal any major changes will be left for the next Congress and Administration to grapple with.

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