

## healthcare policy & reform

June 28, 2012

### Healthcare Reform Law Stands— With Modifications to State Medicaid Expansion

Today, the U.S. Supreme Court held that the Patient Protection and Affordable Care Act of 2010 (P.L. 111-148 or ACA) is constitutional with modifications to the Medicaid expansion provisions. In a 5-4 opinion, the Court upheld the individual mandate under Congress's taxing power, while holding that the mandate is not a constitutional exercise of Congress's power under the Commerce Clause or the Necessary and Proper Clause. With respect to the ACA's expansion of Medicaid to cover new populations (with enhanced federal funding), the Supreme Court held that the provision is constitutional as long as states do not lose their existing Medicaid funding.

A repeal effort is expected; however, implementation of the ACA will continue, with the prospect of a full repeal increasing in difficulty and complexity as the implementation process continues to move forward.

You can [access the full opinion here](#). Our detailed analysis of the decision is forthcoming; meanwhile, we invite you to contact any of the following Morgan Lewis partners with your immediate questions or [visit our Healthcare Policy and Reform resource page](#):

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