

Internists join in brief urging supreme court to uphold ACA's premium subsidies

29 January 2015

The American College of Physicians (ACP) today - along with other health care organizations - submitted an amicus curiae (friend of the court) brief to the Supreme Court of the United States in the King v. Burwell case, urging the court to uphold the premium subsidies created by the Affordable Care Act (ACA) in all states.

The petitioners argue that the ACA's language does not permit the Internal Revenue Service (IRS) to issue premium tax credits and cost-sharing financial assistance to individuals residing in states with federally-operated health insurance Exchanges. Currently, the federal government runs 34 state health exchanges, where millions of people received premium tax credits to purchase health insurance. The question before the Court is whether the IRS may permissibly promulgate regulations to extend tax-credit subsidies to coverage purchased through Exchanges established by the federal government under section 1321 of the ACA. The Supreme Court is scheduled to hear oral arguments in the case on March 4.

"ACP has long supported policy efforts to extend [health insurance coverage](#) to all as well as providing tax credits to make insurance more affordable," said David A. Fleming, MD, MS, MACP, ACP's president. "A decision by the Supreme Court to overturn the subsidies in a majority of the states would do grave harm to the patients cared for by internists and other clinicians on the front lines of medical care delivery."

The amicus brief was submitted on behalf of a coalition of physicians, nurses, and community health centers who deliver care to the millions of patients who depend on the ACA's premium subsidies to access affordable care. According to the brief, filed today with the U.S. Supreme Court, "Section 36B of the Internal Revenue Code, which was enacted as part of the Patient Protection and Affordable Care Act (ACA), authorizes federal [tax-](#)

[credit](#) subsidies for health insurance coverage that is purchased through an 'Exchange established by the State under section 1311' of the ACA.

The brief notes that tax credits (premium subsidies) established in the ACA as well as the insurance market reforms have enabled millions of Americans to purchase health insurance. If the Court decides in favor of the plaintiffs, millions will lose their health insurance subsidies. This will likely lead many to drop coverage or elect to go uninsured, driving up health insurance premiums for those that remain covered. If [health insurance](#) subsidies for federally-facilitated marketplace (FFM) plans were eliminated, enrollment in ACA-compliant individual market plans would drop by 9.6 million, according to the RAND Corporation. The Urban Institute/Robert Wood Johnson Foundation estimates the number of uninsured would increase by 8.3 million.

"The patients cared for by ACP members and other clinicians would be directly affected because the insured are much more likely than the uninsured to have a regular source of care, receive needed health care, and pay less out-of-pocket for their care," Dr. Fleming concluded. "The uninsured are more likely to receive care from safety-net providers and report to an emergency department or outpatient physician's office as their usual source of care, rather than a physician's office. The uninsured are less likely than the insured to follow treatment recommendations: many uninsured report not taking prescribed medications or seeking follow-up care after a chronic disease diagnosis. The ACA has helped to address this problem: according to a Commonwealth Fund survey, the number of adults who reported having a medical problem but did not visit a doctor or clinic, did not fill a prescription, or skipped a recommended test, treatment, or follow-up due to cost fell for the first time since 2003."

Provided by American College of Physicians

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