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Federal Judge Strikes Down Health Reform Law and the Individual Mandate

A Florida federal judge has found the entirety of the health reform law unconstitutional, ruling that Congress exceeded its Constitutional authority by requiring people to purchase health insurance or pay a fee. The judge sided with the 26 states that are parties to the suit to block health reform, which challenges the law's controversial insurance mandate requirement. According to the judge, the individual mandate is unconstitutional and not severable, and therefore the entire health reform law must be voided. The court stopped short of halting implementation of the law, pending appeal, so it looks like the regulatory process will continue.

This ruling will likely be the grounds by which supporters and opponents of the law proceed, as the recently passed House repeal bill will likely die in the Senate. The federal government will likely appeal this case, and then this or one of the other court challenges will likely go to the U.S. Supreme Court. Two other federal judges have recently upheld the mandate requirement. Another federal judge in Virginia earlier ruled the mandate requirement unconstitutional, but found that the law is severable and therefore did not declare the entire law unconstitutional.

This latest Florida ruling is perhaps the most significant legal challenge to the law and as such it adds to the uncertainty surrounding the implementation of the law in the future, but for now, it has no immediate impact on the law's implementation or employer requirements.

Employers are advised to continue to monitor health reform developments and proceed with implementation. Should you have questions about this or any aspect of federal health insurance reform, contact your Conner Strong account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong, visit our online <u>Resource Center</u>.

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