

September 12, 2011

Virginia Court Dismisses Health Reform Lawsuits

A three-judge U.S. Fourth Circuit Court of Appeals panel <u>dismissed</u> two high-profile Virginia lawsuits challenging the healthcare reform law citing technicalities in both decisions. The court did not rule on the constitutional issues raised by the lawsuits, namely whether the individual mandate or any other healthcare reform provision is constitutional. Two of the judges on the Virginia panel were appointed by President Obama and the other judge was appointed by former President Clinton.

As we previously reported, recent Eleventh and Sixth Circuit rulings have created a split among the Circuits, making it highly likely that the U.S. Supreme Court will ultimately decide the issue of whether healthcare reform is constitutional. More than 20 federal lawsuits challenging healthcare reform have been filed since the law was signed in March 2010.

This new Fourth Circuit ruling adds to the continued uncertainty surrounding healthcare reform, but has no immediate impact on the law's implementation or employer requirements. However, because of the differing opinions reached by the Fourth, Sixth, and Eleventh Circuits, states may slow their efforts to prepare for the exchanges pending the outcome of a Supreme Court decision. A U.S. Supreme Court decision finding healthcare reform unconstitutional would threaten parts of the law intended to improve the insurance market, including the exchanges.

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 & Buckelew account representative toll free at 1-877-861-3220. For a complete list of Legislative Updates issued by Conner Strong & Buckelew, visit our online <u>Resource Center</u>.



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