

Legislative Brief

Florida Court Strikes Down Health Care Reform Law



The Court Ruling

On January 31, 2011, a federal court in Florida struck down the entire health care reform law, ruling that Congress does not have the authority to require individuals to buy insurance. Judge Roger Vinson stated that a refusal to buy health insurance should not be considered “economic activity” that can be regulated by Congress under the Constitution’s commerce clause. He also ruled that Congress did not have authority to pass the law under its power to make all laws that are “necessary and proper” in carrying out its constitutional powers.

The Florida court also addressed an argument that the health care reform law’s expansion of Medicaid infringed on state sovereignty. However, the court agreed with the federal government on this issue, holding that the law does not infringe on state’s rights because state participation in Medicaid is optional.

This court went further than others that have reviewed the law, holding that the individual insurance mandate cannot be separated from the rest of the law, so the entire statute is invalid. Judge Roger Vinson stated that the law has “too many moving parts” to be able to distinguish the pieces that can stand alone.

Despite this ruling, the court did not grant the plaintiffs’ request for an injunction to prevent the law from being implemented while the case is appealed. This part of the judge’s decision has led to some controversy about the effects of the court’s ruling.

Other Legal Challenges

A number of legal challenges have been filed in various federal courts since the health care reform law was passed in March 2010. There are a total of 25 lawsuits in progress, including the Florida case. One federal court in Virginia ruled that the individual mandate portion of the law is unconstitutional. However, that court did not address other portions of the law and also did not grant an injunction to stop the law’s implementation. Two other federal courts – one in Michigan and another Virginia court – have found that the law is constitutional.

What’s Next?

In this case, [26 states](#) have joined together to challenge the law. The uncertainty about the effect of the judge’s ruling raises questions about those states’ obligations to implement certain health care reform requirements. Attorneys for the states have said that things like the individual mandate and the requirement to establish health insurance exchanges, which take effect in 2014, are “dead with regard to these 26 states.” However, government officials are of the opposite opinion, stating that implementation of the law will proceed as planned.

The Justice Department has announced that it will appeal the decision to the U.S. Court of Appeals for the 11th Circuit. It is also analyzing the steps that may be necessary to continue implementing the law. Ultimately, the constitutionality of the health care reform law is expected to be settled by the Supreme Court.

Tailor Made Benefit Solutions will continue to monitor the status of the health care reform law and its impact on you and your employees.

This Tailor Made Benefit Solutions Legislative Brief is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.