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Keeping You Informed

Legislative Update

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Forest Financial Group is pleased to offer updates focusing on legislation changes and decisions that impact our clients. It is important to us that our clients are kept abreast of changes in both Washington and Springfield that apply to employee benefits.

FFG aims to provide you with a better understanding of our healthcare system, our federal and statutory laws, and our industry regulations. We hope you find this information valuable to the administration of your benefits program.



Florida Federal Judge Declares Individual Mandate and the Reform Law Unconstitutional

Appeal to Supreme Court Likely

On Jan. 31, 2011, Florida U.S. District Court Judge Roger Vinson, declared the "individual mandate" of the Patient Protection and Affordable Care Act (PPACA) unconstitutional, ruling the government cannot require Americans to purchase health insurance starting in 2014. Vinson concluded that, "Because the individual mandate is unconstitutional and not severable, the entire act must be declared void."

The Department of Justice will appeal the decision in this case, which was filed in March 2010 by Florida and joined by 25 other states. The constitutionality of the individual mandate is expected to eventually be decided by the Supreme Court.

In December 2010, a Virginia federal district court decided against the individual mandate, but didn't declare the entire law unconstitutional. Two earlier decisions in Virginia and Michigan found the mandate constitutional. Other cases are pending while several other lawsuits have been dismissed.

Under the PPACA, starting in 2014, individuals must be enrolled in a health insurance plan that meets basic minimum standards. Health care exchanges, also starting in 2014, will provide a new insurance marketplace where individuals and small businesses can buy qualified health benefit plans.

Next Steps

It's still unknown if the Supreme Court will agree to bypass the federal appeals courts and hear the appeal of one of the federal court decisions. It's likely to be some time before there's a final decision.

PPACA Still the Law of the Land

Since the individual mandate is not effective until 2014, the court's ruling has no immediate impact and does not affect ongoing implementation of the PPACA. Unless and until the Supreme Court decides otherwise, the law remains in effect.

Source: Cigna