

For Immediate Release

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Washington, DC - The U.S. Supreme Court today completed a historic three days of oral argument on the Affordable Care Act (ACA), ending with arguments on the constitutionality of the ACA's Medicaid expansion. Starting in 2014, 17 million additional people at or below 133% of the federal poverty level will be eligible for Medicaid. State officials have attacked this provision, arguing that the expansion is unconstitutionally coercive and onerous.

Justices Elena Kagan and Ruth Bader Ginsburg today questioned the state's claim of coercion and cast doubt on their arguments. The ACA initially provides states with 100% federal funding for their Medicaid expansion population, and then continues to pay 90% by 2020. Referring to this generous funding stream, Justice Kagan stated that, where states are receiving "a boatload of federal money" to cover low-income persons, the expansion "doesn't sound coercive," but rather sounds like a "gift."

"Justice Kagan rightly questioned how states can claim coercion when the ACA's expansion is actually the most generous extension in Medicaid's history," said Emily Spitzer, NHeLP executive director. "Medicaid is – and has always been – voluntary for states. Nothing in the ACA changes this. States have always been on notice that Congress may change the conditions of federal funding."

Justice Ginsburg similarly questioned the coercion argument and remarked that she did not know of any example where a federal program was "struck down because it was so good that it becomes coercive to be in it." The Medicaid program has grown in large measure because states have elected to add optional services. Indeed, 60% of Medicaid spending results from these state options.

The Supreme Court's review and eventual decision on the ACA's Medicaid expansion will have far reaching consequences. Striking down the expansion would call into question the entire Medicaid program, as well as Congress' power to initiate and maintain reforms in areas as diverse as health care for seniors, education, crime and highway safety.

"Medicaid has served as our nation's health care safety-net for over forty-five years, and has been especially important during the economic recession, providing coverage for an additional 8 million low-income persons," said Jane Perkins, NHeLP legal director. "Striking down the ACA's Medicaid expansion would threaten the health care coverage of over 50 million Medicaid beneficiaries and prevent an estimated 17 million low-income persons from gaining coverage."

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