

## The Affordable Care Act and Texas v. United States: How Loose Legal Challenges Threaten Healthcare Coverage

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The cost of healthcare in the United States is one of the highest in the world.<sup>1</sup> With costs rising faster than the rate of inflation, the U.S. far surpasses other wealthy nations in per capita health spending.<sup>2</sup> However, despite this high healthcare spending, the U.S. does not achieve favorable healthcare outcomes for all Americans. When compared to other high-income countries, the U.S. has the lowest life expectancy at birth and the highest death rates for treatable conditions.<sup>3</sup> Healthcare disparities within underserved communities contribute to this discrepancy by about 50% since the socioeconomic status of an individual or household defines their ability to access healthcare.<sup>4</sup> In total, an estimated 112 million (44%) of American adults are struggling to pay for healthcare in America. Due to their inability to pay, patients have been dropped from their hospital coverage, accounting for 44,789 deaths per year.<sup>5</sup> This discrepancy in care within the U.S. healthcare system demonstrates a clear need for expansive healthcare coverage for all.

To mediate rising healthcare costs, President Obama signed the Affordable Care Act (ACA) into law, the most pivotal piece of health legislation since Medicare and Medicaid. In official terms, the ACA is a comprehensive reform law enacted in 2010 to increase health insurance coverage for the uninsured.<sup>6</sup> It requires most insurers to cover 10 essential health

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<sup>1</sup> *How does the U.S. healthcare system compare to other countries?* (2024, August 15). Peter G. Peterson Foundation. <https://www.pgpf.org/blog/2024/08/how-does-the-us-healthcare-system-compare-to-other-countries>.

<sup>2</sup> Cox, C., Ortaliza, J., Wager, E., & Amin, K. (2024, May 28). *Health Care Costs and affordability*. Kaiser Family Foundation. <https://www.kff.org/health-policy-101-health-care-costs-and-affordability>.

<sup>3</sup> Blumenthal, D., Collins, S. R., & Fowler, E. (2020, February 26). *The Affordable Care Act at 10 years: What's the effect on health care coverage and access?* The Commonwealth Fund. <https://www.commonwealthfund.org/publications/journal-article/2020/feb/aca-at-10-years-effect-health-care-coverage-access>

<sup>4</sup> Whitman, A., De Lew, N., Chappel , A., Aysola, V., Zuckerman, R., & Sommers, B. (2022, April 1). *Addressing Social Determinants of Health: Examples of Successful Evidence-Based Strategies and Current Federal Efforts*. Assistant Secretary for Planning and Evaluation. <https://aspe.hhs.gov/sites/default/files/documents/e2b650cd64cf84aae8ff0fae7474af82/SDOH-Evidence-Review.pdf>

<sup>5</sup> *Lack of insurance to blame for almost 45,000 deaths: Study.* (2024, September 17). Physicians for a National Health Program. <https://pnhp.org/news/lack-of-insurance-to-blame-for-almost-45000-deaths-study/>

<sup>6</sup> Blake, V. (2012). The constitutionality of the Affordable Care Act: An update. *American Medical Association Journal of Ethics*, 14(11), 873-876. <https://journalofethics.ama-assn.org/article/constitutionality-affordable-care-act-update/2012-11>

benefits that include but are not limited to chronic disease management, emergency services, mental health treatment, and prescription drug coverage. The law also provides consumers with premium tax credits that lower costs for households with incomes between 100% and 400% of the federal poverty level. Using these tax credits, the ACA has helped to reduce the uninsured rate by providing a pathway to access affordable health insurance plans. To date, it has reduced the number of uninsured Americans from 45.2 million in 2013 to 26.5 million in 2022.<sup>7</sup>

Despite the positive outcomes achieved by the ACA, nearly half of Americans still oppose many features of the bill. More specifically, the law's individual mandate provision, Section 5000A, which requires individuals to purchase minimum essential coverage or face a penalty tax, has been called into question. In February of 2018, Texas, alongside 19 other states and two individual plaintiffs, filed a complaint in the U.S. District Court for the Northern District of Texas. They argued that Section 5000A of the law was unconstitutional, claiming that it exceeded Congress' power under the Commerce Clause by forcing individuals to purchase health insurance, essentially regulating economic inactivity. While the Commerce Clause grants Congress the power to regulate Commerce with foreign nations, among several states, and among Native American tribes, taxing people for not enrolling in a program is considered beyond the scope of their authority. They also stated that increased Medicaid enrollment would further burden state finances via payment of Medicaid with state tax dollars. Moreover, the plaintiff side claimed that the law was inseparable from the mandate provision, making the entire ACA unconstitutional. This argument was premised on the notion that you cannot achieve the mission of the ACA, healthcare coverage for all, without requiring people to enroll in Medicaid.<sup>8</sup>

What stands out about the plaintiff's approach is the Department of Justice's (DOJ) stance on the mandate. Traditionally, the DOJ defends Acts of Congress when they are challenged in court. However, during the Trump administration, the DOJ joined the plaintiffs in striking the validity of the mandate, arguing that the law should be invalidated. Agreeing with

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<sup>7</sup> Sullivan, J., Orris, A., & Lukens, G. (2024, March 25). *Entering their second decade, Affordable Care Act Coverage Expansions Have Helped Millions, Provide Basis for Further Progress*. Center on Budget and Policy Priorities. <https://www.cbpp.org/research/health/entering-their-second-decade-affordable-care-act-coverage-expansions-have-helped>

<sup>8</sup> Wydra, E. B., Gorod, B. J., & Frazelle, B. R. (2021, June 21). *Texas v. United States*. Constitutional Accountability Center. <https://www.theusconstitution.org/litigation/texas-v-united-states/#:~:text=In%20Texas%20v.,Affordable%20Care%20Act's%20individual%20mandate>.

the plaintiffs, a district court held that the individual mandate is unconstitutional and inseparable from the rest of the ACA, rendering the entirety of the ACA invalid. As the case proceeded to the Fifth Circuit, the House of Representatives moved to intervene by filing an opening brief on March 25, 2019. Three main points were presented. The House argued that the plaintiffs lacked standing to challenge Section 5000A because the mandate does not legally require a purchase of health insurance. They stated that the constitutionality of Section 5000A is valid as no factual evidence of it stripping away Americans' rights have been presented, and that linking Section 5000A to the rest of the ACA is unconstitutional. In a 2-1 decision, the Fifth Circuit ignored these points, concluding that the plaintiff states have standing to bring the case forward and that Section 5000A is unconstitutional. When the case was taken by the Supreme Court, the House filed another brief, both reinforcing their principal points and adding that a 2017 amendment, the Tax Cuts and Jobs Act, had already invalidated the mandate. The Tax Cuts and Jobs Act had eliminated the penalty for not abiding to the individual mandate, maintaining the freedom to opt out of the ACA and eliminating the government's ability to enforce the mandate. Furthermore, the amendment had existed for several years at the time of the case, illustrating that the ACA still provided effective coverage even without the individual mandate. This evidence destabilized the foundation of the plaintiff's case, illustrating that the individual mandate was not inseparable from the rest of the ACA. Ignoring the Tax Cuts and Jobs Act, the plaintiffs continued challenging the entire ACA and reiterated their argument that an increased enrollment in Medicaid and the Children's Health Insurance Program (CHIP) will further burden state finances, an argument that relied heavily on speculative inferences.

After reviewing the plaintiff's implausible claims, in June 2021, the Supreme Court held that the plaintiffs lacked the evidence or standing to challenge the ACA. In a 7-2 decision, the court dismissed the suit, marking a notable victory for all those who have since benefitted from the ACA. Notably, the Supreme Court's decision did not include an official opinion on whether or not the law was constitutional. Instead, their decision solely commented on the legal challenge's lack of factual examples of the mandate stripping Americans of their constitutional rights that would provide them standing to sue.

In examining this case, it is evident that there is a clear divide between the perceived value of the Affordable Care Act and its impact on U.S. healthcare. Texas believes that the United States should not have a role in federally regulating healthcare, as it can not

constitutionally require someone to buy health insurance. The defendant side believes that the individual mandate of the ACA is constitutional because, in practice, it does not alter anyone's legal rights. While the constitutionality of ACA was maintained, the challenge should not have made it to the level of the Supreme Court as the premise of the defendant's arguments were not legally sound. Arguments made in congressional briefs, including the existence of the Tax Cuts and Jobs Act which functionally invalidated Section 5000A, were entirely ignored by lower courts. The oversight of this evidence and continued insistence that the entirety of the ACA had to be removed due to a singular mandate raises questions as to what the true motives of the plaintiff were.

When examining the states' positions in *Texas v. United States* (2018), there is a pattern of Republican party affiliation among Texas and the 19 other states challenging the ACA. The plaintiffs' political party's long standing opposition to the ACA's enactment suggests that the reliance on Section 5000A to strike down the entire law is motivated more by political objectives than legal precedent. To strike down an Act of Congress on the grounds of a singular mandate that can no longer be enforced demonstrates a disdain for the provisions of the act that are constitutionally sound and a disrespect for the non-partisan objectives of our legal system.

The details of this case stand out because of how far the plaintiff's arguments made it through the courts despite their lack of substantial evidence. Its advancement to the Supreme Court reflects how the post-2017 amendment to the mandate did not remedy the grievances towards the bill as a whole, rather than any genuine constitutional concerns. Had the Affordable Care Act been removed, then so too would have the coverage for more than 45 million low-income Americans, who would lose access to essential medical care and high-cost prescription drugs. The effects of *Texas v. United States* (2018) could have destroyed the health of many communities throughout the country. Moving forward, the Supreme Court must continue to examine the way in which legal verbiage is utilized to disguise the true face of a defendant's invalid political arguments. The fragility of the United States healthcare system and one's access to it is too important to be unjustly placed into unsubstantiated interrogation under false legal pretenses.