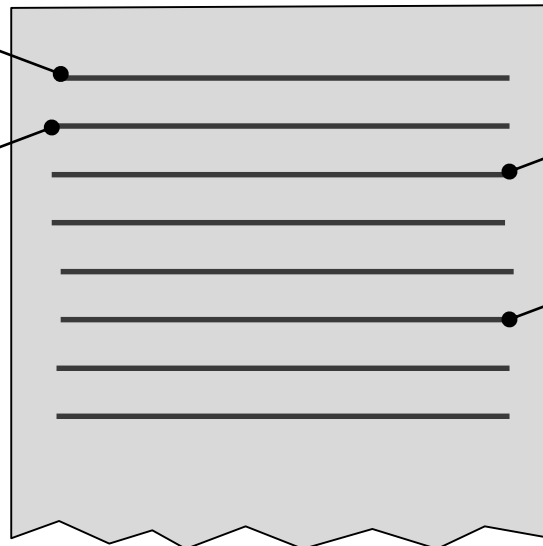


# Supreme Court Rules that Affordable Care Act Unambiguously Provides Subsidies in Federal Exchanges

## Statutory Text Pertinent to *King v. Burwell*

“[E]ach State shall ... establish an American Health Benefit Exchange ... for the State”

“An Exchange shall be a government agency or nonprofit entity that is established by a State.”



HHS “shall (directly or through agreement with a not-for-profit entity) establish and operate such Exchange within the State”

The size of a subsidy is based on each month one is enrolled in coverage “through an Exchange established by the State under [section] 1311 of the Patient Protection and Affordable Care Act”

### Analysis

- The main controversy in *King v. Burwell* was whether or not the law’s subsidies, made available via an “Exchange established by the State,” were still available on federal exchanges created as substitutes for state exchanges
- In a 6-3 opinion written by Chief Justice John Roberts, the Supreme Court ruled that although the phrase “established by the State” is ambiguous, in the context of the law as a whole it is clear that Congress intended for subsidies to be offered in federal exchanges
- Because the majority opinion decided that the law unambiguously supports this interpretation, rather than deferring to the IRS interpretation, future administrations will not be able to withdrawal subsidies by directing the IRS to apply a different interpretation