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## Health Care Reform Alert

June 25, 2015

### U.S. Supreme Court Ruling: Subsidies Will Continue for Federal Marketplace Coverage

In a 6-3 decision today, the Supreme Court of the United States ruled that federal premium assistance tax credits (“subsidies”) will continue to be available for qualified individuals who purchase coverage on a Federal Marketplace. The ruling affirmed an earlier decision by the Fourth Circuit Court of Appeals.

Qualified individuals will also continue to be eligible for subsidies for coverage on state-run Marketplaces, which was not in question in the case. The Marketplaces are also commonly referred to as public Exchanges.

The ruling is significant as 34 states offer coverage through Federal Marketplaces, with more than 6.4 million individuals in those states receiving subsidies. This decision does not impact any other Affordable Care Act (ACA) provisions.

Nothing has changed as a result of this decision, and no action is required by individuals in order to continue their health coverage or subsidies.

#### Cigna’s Participation on the Marketplaces

Cigna currently sells individual coverage on Federal Marketplaces in six states (Arizona, Florida, Georgia, Missouri, Tennessee and Texas), as well as two state-run Marketplaces (Colorado and Maryland). This ruling ensures that qualifying individuals living in all these states will continue to have access to subsidies for Marketplace coverage.

For more information on the Supreme Court decision:

#### Background

The ACA provides that subsidies are available to consumers enrolled in “an Exchange established by the State.”

The IRS interpreted this rule to make subsidies available to qualifying individuals who purchase coverage on the State

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Marketplaces as well as the Federal Marketplace. Today's ruling affirms the IRS was reasonable in its interpretation.

A series of lawsuits challenging the IRS's interpretation to provide subsidies in connection with Federal Marketplace coverage resulted in conflicting lower court decisions and prompted the U.S. Supreme Court to hear this case.

We encourage you to bookmark Cigna's health care reform website, [InformedOnReform.com](http://InformedOnReform.com), where we post the most recent guidance and regulatory information.

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