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Maine Community Health Options Wins U.S. Supreme Court Ruling Enforcing Government Payment Obligation Under Affordable Care Act ‘Risk Corridor’ Cases

U.S. Owes Plaintiffs Collectively \$13 Billion

Washington – April 28, 2020: The U.S. Supreme Court ruled that the federal government is obligated to pay more than \$13 billion to health insurers that sold consumer policies on public exchanges under the Affordable Care Act, a hard-fought victory for Maine Community Health Options, a client of Crowell & Moring.

In an 8-1 opinion by Justice Sonia Sotomayor, the court ruled that the government and health plans shared the risk of consumer health exchanges during the first three years of the ACA and the government had reciprocal statutory payment obligations. After the health plans experienced higher than expected costs, the government refused to make full payment on its obligations, arguing that Congress’ refusal to appropriate funds vitiated the government’s payment obligation. Reversing the Federal Circuit, the Supreme Court held that the statute contained an unambiguous payment mandate, which was not repealed or otherwise suspended by Congress’ failure to make appropriations available. While a failure to appropriate funds prevents executive agencies from making the payment, the failure does not relieve the United States of its obligation to pay.

“These holdings reflect a principle as old as the Nation itself: The Government should honor its obligations. Soon after ratification, Alexander Hamilton stressed this insight as a cornerstone of fiscal policy. ‘States,’ he wrote, ‘who observe their engagements . . . are respected and trusted: while the reverse is the fate of those . . . who pursue an opposite conduct,’” Sotomayor wrote in in the case of *Maine Community Health Options et al. v. United States*, along with two other cases.

Crowell & Moring partner [Steve McBrady](#), who led the firm’s legal team representing Maine Community Health Options, called the decision “important,” noting that it “cements bedrock principles of fairness into money mandating statute jurisprudence.”

In addition to McBrady, the Crowell & Moring team representing MCHO includes partners [Daniel W. Wolff](#), [Clifton S. Elgarten](#), [Jacinta Alves](#), and [A. Xavier Baker](#); counsel [Skye Mathieson](#); and associate [Charles Baek](#).

[The Court’s decision can be viewed here.](#)

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For 40 years, Crowell & Moring’s nationally recognized Government Contracts Group has set the standard for effective legal guidance in this highly complex arena. With approximately 60 attorneys, it is one of the largest and most reputable government contracts practices in the United States and worldwide. The group’s experience covers virtually every aspect of the increasingly complex and heavily regulated government contracts and grants process, from entering the government marketplace and bidding on public contracts to complying with complex regulatory regimes and performing contracts, litigating disputes, and handling terminations. Follow the group on Twitter at [@GovConCrowell](#).

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include payers (including the top 10 national health insurers), hospitals and hospital systems, medical groups and medical group managers, dialysis providers, pharmaceutical companies, pharmacy benefit managers, academic medical centers, government contractors, as well as established and start-up medical device and biotech companies. Our clients rely on Crowell & Moring's experience and interdisciplinary approach to provide strategic solutions to their complex legal challenges. *Chambers USA* named Crowell & Moring as a finalist in the health care category for the annual Award for Excellence in 2018. The group publishes the C&M Health Law Blog, which includes analysis, commentary, and the latest developments in health care law and policy. Follow the group on Twitter at @CMHealthCareLaw.

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