Illinois Wesleyan University Professor Greg Shaw talked to Charlie Schlenker about the federal appeals court ruling against several key parts of the new healthcare reform law. Shaw says the ruling is likely “only a bump in the road”, and the doubts the ruling will stand.

An Illinois Wesleyan University expert on the healthcare system says he doubts the federal appeals court ruling gutting significant parts of the healthcare reform law will stand. A three judge panel of the D.C. Circuit Court of Appeals has decided the law does not give the administration the authority to pay tax subsidies to people who get insurance policies under the act in states that did not set up their own health exchanges. That's about half the states. But, IWU Political Scientist Greg Shaw says Congress issues subsidies all the time and it may be the courts have already dealt with the larger issue.

Greg Shaw:

"The Supreme Court ruling in 2011, right? that reluctantly validated the individual mandate, I think blankets this authority in as much as it allows Congress to impose a tax to fund this very set of operations."

"To some extent for the Supreme Court this is already a case of asked and answered. So I am not sure this ruling will get traction at higher level." Shaw also says if the decision DOES stand, it will force GOP governors in many states to come clean. He says many actually welcome the subsidies but did not want to be seen as endorsing Obamacare and so did not set up state health exchanges to assist citizens in finding health insurance.

"There was sort of a wanting to have it both ways in the states that were not set up their own exchanges. They were happy to see those subsidies come, but they did not want to be politically painted with the same brush. And that's why half or so of the states, virtually all under Republican control had not set up their exchanges, they didn't want to be seen as endorsing." Shaw says the ruling is also out of step politically. He says people buying the policies, insurance companies, and even many Republicans favor the rebates. The case is likely to be appealed to the full circuit and possibly the Supreme Court.