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By a 5-4 decision, the Supreme Court has upheld the Affordable Care Act, President Barack Obama's major health care reform law, often called Obamacare. This video is live coverage by NBC News as the landmark decision is handed down.

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Transcript
Special Report- Supreme Court Upholds Healthcare Law
ANNOUNCER: This is an NBC News Special Report. Here is Matt Lauer.
MATT LAUER, co-host:
And good morning, everyone. The US Supreme Court has just handed down one of the most anticipated decisions in decades. A ruling on President Obama's signature health care law that is sure to have sweeping ramifications for millions of Americans, and, of course, politically impact the presidential race as well. NBC's justice correspondent Pete Williams is now poring through that decision. He has it in his hands. We're going to get to him at the Supreme Court in just a couple of minutes. I'm also joined by David Gregory, of course, our moderator of "Meet the Press," and Savannah Guthrie is our legal correspondent. She joins me here in New York. And while we wait for Pete to go through the document that probably is more of a novel than a pamphlet, Savannah, let's talk about the options that the justices had.
SAVANNAH GUTHRIE, co-host:
We think it will be a lengthy opinion because there are four discreet issues before the court. Number one, is it time for the justices to hear this case? It's basically a jurisdictional question, whether it's premature for
them to decide the case right now. If they say, 'We can decide it right now,' they get on to the central issue, whether that individual mandate that requires every American to get a minimum amount of health insurance, whether that exceeds the federal government's power under the Constitution. If the court were to strike down that mandate, they'd have another more complicated question. How much of that more than 1,000-page law could actually survive? Could they sever it or would they have to strike it all down? And then finally, one last issue. There is a huge expansion of Medicaid in this law. Some states have said, 'It's so big, it puts such a burden on us, it violates the federal government's power.'

LAUER: And just to go over this idea that Pete is poring through this complicated document, we might not be in for one decision here. We could be in for multiple decisions with majorities and minorities on all of those things.

GUTHRIE: There's no question, and there's a lot of ways to skin the cat, to use the old saying. I mean, for example, the court could uphold the mandate but for different reasons. We could have a deeply fractured court. So there could be an end result but different rationales for the various results we may see.

LAUER: We'll know all this in a moment, David. But as you join us, let's talk about the fact that the Obama administration has been anxiously awaiting this decision. How much hangs in the balance for the president?

DAVID GREGORY, reporting:

We have a presidential election coming up in about four and a half months, and that's really what's been hanging over all of this, as you can imagine, Matt. And interrupt me any time when you get word of this. That's really the impact here. If any of this is struck down, the president's in a very difficult political situation where he's got to try to defend what's left and also talk about the implications. Republicans, including Mitt Romney, who about a year ago this week announced for president one of his major arguments would be that he would repeal the president's health care law. So all of this will be seen in the context of how both sides will argue this as we move forward over the next weeks and months leading up to Election Day.

LAUER: And we're--and we're seeing some comments on blogs already that Savannah is passing in front of me saying this ruling is very, very complicated. The White House, David, putting out the scenario that this is not all or nothing. That they might be able to claim some limited or partial victory here. Is that realistic?

GREGORY: Well, it is, at least...

LAUER: David, let me interrupt you. Excuse me, David.

GIFFORD: Go ahead.

LAUER: Pete Williams is now ready for us at the Supreme Court. Pete, good morning. Take us through.

PETE WILLIAMS, reporting:

OK. The bottom line here is the Supreme Court has upheld the health care case. They've said that it can't be upheld under the commerce clause, the individual mandate can't. This is Chief Justice Roberts writing for the court. But, he said, it can be upheld under the court's taxing authority. So the bottom line here is the Supreme Court has upheld the health care law. It is a penalty, not a tax, nonetheless the chief justice says it can be upheld under the court's taxing authority. Now I haven't had any chance to read what the
vote breakdown is here, but it is Chief Justice John Roberts writing the majority opinion saying that you can't uphold the mandate under the commerce clause. So this gets at the argument that it's wrong for Congress to require everyone to buy health insurance. So they've left the penalty, the tax intact, and they say Congress can do this under the taxing authority. So let me just take a brief moment to look at the vote breakdown, Matt.

LAUER: All right, go ahead. You do that. Let me bring Savannah back in. This sounds a little complicated and confusing for the average person. What exactly is being said here?

GUTHRIE: It's actually a very interesting result. It's interesting that we have the chief justice writing the opinion and we'll learn, of course, I assume, that the left--the ideological left members of the court join him in this. There were really two theories of constitutionality that the federal government was arguing. First they said this is a valid exercise of the federal government's power under the commerce clause. It appears the court rejected that argument. That was the main argument.

LAUER: And yet saved it.

GUTHRIE: Alternatively, there was an argument that, `Look, that we have the mandate.'

WILLIAMS: Hey, Bob, can you just leave my mike up and I'll just...

GUTHRIE: 'We enforced the mandate with a penalty and the penalty in essence is a tax.' And the federal government has a rather unfettered ability to tax. And that's what the court held on to, saying because of the federal government's taxing power, the mandate operates as a tax and therefore it is constitutionally OK. It is a very, I guess, perplexing result because, of course, politically, when this was fought out in the--in the Congress the Obama administration said this isn't a tax. But in the legal papers, they took the legal position that it was and that it was valid under the taxing authority.

LAUER: All right, David, let me get you back in here because you know that the Obama administration and the president himself are watching this.

GREGORY: Right.

LAUER: And what they know right now is that millions of Americans heard the headline coming from people like Pete Williams that the Supreme Court has upheld the health care law. What's the reaction going to be at the White House?

GREGORY: Well, that's a huge victory. This is crucial in the White House view that the individual mandate be part of comprehensive health care reform. That if you're going to achieve something approaching universal coverage, that you have to be able to pay for it. And one of the ways that you can pay for some of the benefit is if, you know, people with prior conditions are accepted on health care plans without insurance rates going up and that everybody has to have a stake in that system, not just those who need health care but younger people who may not need much from the health care system. They need to have insurance, as well. That's part of the balance that makes this work. By the way, it's not just the president who argued that the individual mandate was important, so did Mitt Romney back when he was pushing a health care law in Massachusetts. He argued that an individual mandate was important, as well. It's something that conservatives pushed for...

LAUER: Right.

GREGORY: ...way back under when Hillary Clinton was trying this, saying that that was part of what was
necessary. So this is a central tenant. We'll see how the rest of this shapes up, but this is very, very important for the administration.

LAUER: All right, Pete Williams continues his speed reading. Pete, let's go back to you right now. What else have you learned?

WILLIAMS: OK. So it's a 5-4 decision with Chief Justice Roberts joining the court's liberals in upholding it. And the other court's conservatives voting to strike it down. And the chief justice basically says that it is a tax. It does impose a tax, but there's basically no penalty on a taxpayer if you don't pay it. You can't--this is unlike any other tax. If you refuse to pay your income tax, for example, you can be prosecuted. That's a crime. There is no penalty associated with the failure to pay the penalty for not--for not buying health insurance. So the Supreme Court says, in essence, there's no real compulsion here. And I can tell you that this is one of the scenarios that administration officials had considered, that if the court did this, they would consider it a big victory. Their view of this is that a rational person who has a choice between paying a penalty and buying insurance will buy insurance, and that that will keep the health care system working. That will provide the insurance industry enough income to support the so-called guaranteed issue provision that says you can't be turned down for pre-existing conditions, and the community rating provision that says you can't vary your rates based on a person's age or sex. So they think this will compel, or push, or urge enough people to buy insurance that it will keep the system going. Now it has to be said, if you don't--if you don't buy insurance and you don't pay the penalty I don't know what happens because there's no penalty for not paying the penalty.

LAUER: Where's the teeth in the law then, Pete?

WILLIAMS: Right. I guess the--I guess there aren't any teeth. It's more the--it's more the fact that if you're--if you're the average person and you're facing a choice between not paying the penalty or buying insurance the thing--the theory is you'll buy insurance. But the fact is there's no penalty if you don't do either one. So it's going to remain to be seen here how this works in practicality. But as a matter of law, as a matter of what the Supreme Court says, they've said we can't uphold it under the mandate. We've struck that down because that's not constitutional. The commerce clause doesn't give Congress the power to regulate people who aren't in commerce...

LAUER: Right.

WILLIAMS: ...and who don't have health insurance. So therefore you look to other ways to uphold the statute because there's a long-standing rule of interpreting laws that says to try to construe them as constitutional if you can. And they say that's how you do it.

LAUER: And, Pete, I think most people watching right now know that this is the highest court in the land, but does that necessarily mean we have seen an end to all legal challenges on this health care law, especially at the state level?

WILLIAMS: No. Because, you know, I haven't looked yet at what the court says about the very important questions to the states, which is what happens to the Medicaid restrictions. Have you look at them? I'm looking at my colleague.

KELLY O'DONNELL, reporting:
It appears to be upheld. as well.
WILLIAMS: My colleague Kelly O'Donnell, who's been reading that portion of the opinion seems--says it seems to uphold the Medicaid restrictions. But, Matt, I would think as this thing kicks in, remember, none of the 2014 provisions have kicked in yet because they won't for another two years. And as they kick in, there could be additional lawsuits. But the overall claim that the whole health care law rises and falls, this was the moment and it failed.

LAUER: And let's just make sure people understand what you just referred to. The parts, the provisions in this law that have not kicked in and wouldn't until 2014...

WILLIAMS: Right.

LAUER: ...the insurance mandate, adults cannot be denied coverage because of pre-existing conditions.

WILLIAMS: Right.

LAUER: That's the guaranteed issue. Restrictions on charging more for coverage on the basis of a person's age, sex, or medical condition, the so-called community rating, no annual dollar limit on the amount of coverage a person may receive. Health insurance exchanges must be operational in each state and that expansion of state Medicaid benefits. Let's go back to Savannah for a second, and you would like to comment a little more on the stance that Chief Justice Roberts took on this.

GUTHRIE: It's fascinating to see Chief Justice Roberts being literally the difference between the life or death of this health care law. This is somebody who is clearly a conservative jurist but who has found himself aligned with the liberals on the court. That is notable in and of itself. But it also, in some sense, is expected from Chief Justice Roberts. If you talk to people who are veteran court watchers who've--those who've litigated before the Supreme Court, something I heard over and over again as we waited for this decision is Chief Justice Roberts is an institutionalist. He cares about the institution of the court. He has talked about whether or not the court is starting to be looked at as an ideological institution, a partisan institution. He's well aware of the context in which this decision comes in the heat of a presidential election, a president's signature domestic achievement. It's fascinating to see.

LAUER: And we were talking earlier, Savannah, about the timing of something that Chief Justice Roberts wrote on Monday in a dissenting opinion on a completely different case. I'll boil it down to what he actually said. He was talking--he said--he criticized the court's majority in that case for having failed to, quote, "display our usual respect for elected officials." Courts, he went on to say, quote, "must presume an act of Congress is constitutional." And you and I were talking and saying, they say this sort of thing all the time, but the timing of this coming on Monday just before this decision.

GUTHRIE: Very interesting, especially because it's clearly on his mind. I mean, this is a cannon of constitutional interpretation that the courts are supposed to be deferential to the elected branches of government. Here's an example where Chief Justice Roberts took a position, obviously, where he's saying, 'I'm not going to substitute the court's judgment for the--for the Congress, but it'll be a controversial one.'

LAUER: David, let me bring you back in. We talked a little bit about reaction from the White House and President Obama. How do the Republicans now react to this? What are you expecting to hear from them?

GREGORY: Well, talking to Republicans on Capitol Hill over the last couple of days, their argument will be that nothing changes for them. Just because it's constitutional doesn't mean that it's good policy. And you've heard that from Governor Romney, as well. He's going to make that argument, as he has in recent
days. He's never really taken on the constitutionality of it. He's argued that it's simply bad policy and he'll move forward from there. Again, he has to answer questions about his own approach, given what he did something very similar in Massachusetts but he's been opposed to it on federal scale. So I think it's full steam ahead for Republicans in terms of the individual mandate. But I do think that the political context here is so fascinating and Savannah alludes to it with Chief Justice Roberts. Just to add to that, he has spoken publicly about how on big controversial decisions he thinks a 5-4 majority on the court over time undermines the Supreme Court and only fuels the view that our major political institutions are too polarized. He's taken a big step here. He's going to be cheered for that by some on the right and the left, criticized, I'm sure, as well, by some on the right. But don't forget, there are also key decisions coming on this fall that aim--he may be looking at--affirmative action, defense of marriage act--where he may take a different view.

LAUER: All right, David, thanks very much. Let's go back to the Supreme Court. Pete continues to mull over this document. What else do you have for us, Pete?

WILLIAMS: Well, Matt, one thing on Medicaid, you know, it's interesting that the court's opinion on the mandate or the tax or the central part of the health care law is a bit of a compromise. The same thing is true on Medicaid. What the Supreme Court says is, yes, the way the Medicaid law is phrased right now it would be unconstitutional because it says to the states, 'If you don't expand Medicaid coverage the way the bill directs you to, that is to say bring more people in to coverage and give them more benefits, then you lose everything. You can't have any part of the Medicaid system at all.' The states have challenged that. They said, you know, that's not fair; and the Supreme Court basically agrees with the states. And so what it says is what the federal government can do is ask the states to provide these new benefits, but if the states say no then you can't throw them out of the Medicaid program. So it's again a question, in practical terms how many states are going to want to go along with this, and how many states are going to say, you know, thumb their nose at the federal government and say no? And it appears from this decision that if the states refuse to go along, the states--the federal government can't throw them out of the Medicaid system.

GUTHRIE: I think that's significant, based on what Pete is saying, because in some sense it has the potential to undercut the health care law in a potentially significant way. The expansion of Medicaid to increase the roles of those who are uninsured is a key part of the health care law's objectives. And if some states, and by the way it's states who have sued here objecting to these provisions, that they said, 'You know what? We don't want to take your--this Medicaid expansion.' If they have the option not to then that potentially could undermine some aspects of the health care law. So I think, in the light of day, that may become more and more significant.

LAUER: As we've mentioned, they were obviously closely watching all this at White House. We're expecting to hear from the president sometime today. But right now, let's go to Kristen Welker who's live at the White House with reaction. Kristen, good morning to you.

KRISTEN WELKER, reporting:

Good morning to you, Matt. Well, according to a senior administration official, we are expecting to hear from the president in a couple of hours. I've been talking to them over the past several days. He has
clearly been thinking about his reaction to the three possible scenarios to this. Given the complexity of this ruling, he is likely working on his specific reaction. He has maintained that he believes this would be upheld, but still, because this is complex, he's likely right now working with his aides on his specific remarks. Now senior administration officials have been watching this closely this morning from the White House. The president expected to be in the Oval Office with Vice President Biden at 10 AM this morning when we were watching all of this come down. So what are we expecting to hear from the president? Clearly this is welcome news. Clearly this is what the White House was hoping to hear, but you're not going to hear a victory lap from this president. Remember, he's in the middle of a tough re-election battle and the economy is still in a difficult place. So his remarks will likely be upbeat, however he probably won't be spiking the ball, as it were. But the president right now working on his reaction. We expect to hear from him in a couple of hours. Matt –

LAUER: You don't--you don't expect the president, Kristen, just a little--and, David, you can weigh in on this also--to say, 'Look, I told you this was constitutional all along and the Republicans were on the wrong side of this issue.' Isn't that something that could become a mantra on the campaign trail? Kristen -

GREGORY: Yeah, Matt, I'll take that.

LAUER: OK, David.

GREGORY: I mean, I think that--I think it's a very important point and I think the president will be delicate in his language today, but he's going to use this as an opportunity, with so many people watching and paying attention to this, to try to continue to make the case for health care, what it means for people. Remember, there's so much of this health care law that nobody's feeling yet because it really doesn't go into effect until 2014. And before that time, you're going to have either a second term of President Obama or a new president, Mitt Romney, and there could be legislative work under foot to try to roll back some or all of this as we just talked about. So I think this is an opportunity that he seizes to argue why this matters, how it affects people positively, and what the implications would be if Republicans try to roll it back.

LAUER: OK.

GREGORY: He hasn't really found his voice on that in the course of the campaign yet.

LAUER: Pete Williams, as I congratulate you on your speed reading, I'll give you the last 20 seconds here. Take it away.

WILLIAMS: Well, we have a health care law intact. The question now is is it going to work in any way nearly the way the administration hoped it would? If you take away the mandate, if you take away the ability to punish states if they don't want to go along with the new Medicaid thing...

LAUER: Right.

WILLIAMS: ...then how many states and how many people will voluntarily do what the bill wanted them to do? And that's what we'll have to see, Matt.

LAUER: Pete, thank you. Savannah, thank you. David, thank you. Some of us--or some of you will stay with us here on Today, others will return to your regularly scheduled programing. I'm Matt Lauer in New York. This has been an NBC News Special Report