
ERISA applies to most health insurance plans and requires them to report detailed financial and actuarial information to the Department of Labor (DOL). ERISA preempts state laws if they “relate to” the core functions of an ERISA plan. Vermont’s APCD law seeks the following medical claims data: services provided, charges and payments for services, and demographic information about those covered.

The Second Circuit concluded that ERISA preempts Vermont’s law because one of the key functions of ERISA is reporting. Vermont’s law imposes “burdensome, time-consuming, and risky” reporting obligations which are multiplied by other states’ APCD laws.

One judge dissented. He opined that that the ERISA and Vermont reporting requirements are too different to warrant preemption and that Vermont’s data collection isn’t burdensome. ERISA requires data reporting focused on asset allocation to avoid the mismanagement of funds or the failure to pay employee benefits. Vermont seeks different information “to fulfill its role of providing health care to its citizens.” Vermont’s law isn’t burdensome because it seek data that health insurance companies already possess.

The SLLC *amicus* brief provides examples of how states, consumers, and health insurance companies are using APCD data to reduce the cost and increase the quality of health care. The brief also argues that the Second Circuit should have applied the presumption against preemption in this case because DOL doesn’t collect the same data as the states. And the brief points out that efforts towards uniformity among state APCD laws minimize the burden of reporting this already-available data.

The *National Governors Association* [4], *National Conference of State Legislatures* [5], *Council of State Governments* [6], *National Association of Health Insurance Commissioner* [7], and *Association of State and Territorial Health Officials* [8] join the SLLC *amicus* brief which was written by Jennifer McAdams of the *National Association of Insurance Commissioners* [7].

This is the first significant preemption case the Supreme Court has decided in a while. Last term the Court only decided one preemption case, *Oneok v. Learjet* [9], holding that the Natural Gas Act does not preempt state-law antitrust lawsuits alleging price manipulation.

By:
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Tags:
*ERISA* [10]*Supreme Court* [11]*all-payers claims database (APCD) laws* [12]*preemption* [13]*Policy Area* [14]*Health* [15]*Insurance Coverage and Medical Care* [16]