The Supreme Court held 6-2 in *Gobeille v. Liberty Mutual Insurance Company* that the Employee Retirement Income Security Act (ERISA) preempts Vermont’s all-payers claims database (APCD) law. Seventeen other states collect health care claims data. The State and Local Legal Center (SLLC) filed an *amicus brief* arguing against ERISA preemption, which Justice Ginsburg cited three times in her dissenting opinion.

ERISA applies to the majority of health insurance plans. Rather than guaranteeing substantive benefits, it mandates oversight over plans. ERISA preempts all state laws that “relate” to any employee benefits plan. Vermont’s APCD law requires health insurers to report to the state information related to health care costs, prices, quality, and utilization, among other things.

In an opinion written by Justice Kennedy the Court concluded ERISA preempts Vermont’s APCD law “to prevent States from imposing novel, inconsistent, and burdensome reporting requirements on plans.” Reporting, disclosure, and recordkeeping are central to ERISA which requires health insurance plans to submit an annual financial statement to the Department of Labor. “Vermont’s reporting regime, which compels plans to report detailed information about claims and plan members, both intrudes upon ‘a central matter of plan administration’ and ‘interferes with nationally uniform plan administration.’” The Secretary of Labor and not the states may require ERISA plans to report the data Vermont seeks.

Justice Ginsburg, joined by Justice Sotomayor, dissented. She cited the SLLC brief which, in her words, pointed out that APCD laws “serve compelling interests, including identification of reforms effective to drive down health care costs, evaluation of relative utility of different treatment options, and detection of instances of discrimination in the provision of care.” She concluded that APCD laws and ERISA serve different purposes and therefore ERISA should not preempt APCD laws. ERISA reporting requirements ensure that plans are providing covered benefits. APCD laws are designed to improve the quality and reduce the cost of health care.

The National Governors Association, National Conference of State Legislatures, The Council of State Governments, National Association of Health Insurance Commissioner, and Association of State and Territorial Health Officials joined the SLLC *amicus brief* which was written by Jennifer McAdams of the National Association of Insurance Commissioners.

By:

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ERISA, Supreme Court, all-payers claims database (APCD) law, health claims data, preemption, Policy Area, Health, Information Technology, Health Information Exchanges.