RESOLUTION ON SALE OF HEALTH INSURANCE ACROSS STATE LINES

WHEREAS, it is in states’ best interests to stabilize health insurance markets, increase consumer choices, reduce health insurance premiums and stem health care cost growth; and

WHEREAS, regulation of health insurance markets has been a traditional area of state responsibility; and

WHEREAS, states can exercise flexibility to meet the needs of consumers and health insurance markets; and

WHEREAS, Section 1333 of the Patient Protection and Affordable Care Act contains language calling for federal regulations by July 1, 2013, to set standards that states could use to adopt health care choice interstate compacts for the purchase of health insurance across state lines but regulations were never promulgated; and

WHEREAS, some states have adopted state laws to permit consumers to purchase health care insurance across state lines; and

WHEREAS, in states where health insurance purchase across state lines is statutorily permissible, no insurance companies have offered plans for purchase; and

WHEREAS, discussion continues at the federal level to undertake public policy reforms that would encourage and facilitate the sale of health insurance across state lines; and

WHEREAS, sale of health insurance across state lines may result in increasing the proportion of high-risk individuals remaining in a state’s risk pool and consequently increasing premium costs to the state’s consumers; and

WHEREAS, when sale of health insurance across state lines results in narrow provider networks and inadequate access to services, state departments of insurance will not have authority to protect consumers interests and redress consumer complaints.

NOW, THEREFORE BE IT RESOLVED, that The Council of State Governments urges the federal government not to preempt states’ regulatory authority in health insurance markets; and

BE IT FURTHER RESOLVED, that The Council of State Governments urges the federal government to consult with states before undertaking any federal action that would promote interstate compacts for the sale of health insurance across state lines.

Adopted by The Council of State Governments’ Executive Committee this 16th Day of December, 2017 in Las Vegas, Nevada.