Press Release

Primer: The Status of ERISA Preemption

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The Employee Retirement Income Security Act of 1974 (ERISA) limits the ability of states to regulate many employer-sponsored health insurance plans for the purpose of avoiding duplicative or conflicting (and thus costly) regulations that would make it more difficult for employers to offer health insurance to employees. In a new primer, Health Care Policy Analyst Jackson Hammond considers the importance of ERISA preemption to the U.S. health care system, explains how the courts have interpreted it, and examines the need for congressional action to provide necessary clarification.

Hammond concludes:

> *ERISA's preemption clause is a crucial part of our nation's private health care system. It creates a statutory environment that allows employers to provide health insurance to employees in a more efficient and ultimately more economically feasible manner. Yet vague statutory language in ERISA has led to decades of court cases, prompting attempts by the courts to reinterpret ERISA with little congressional guidance. The Rutledge ruling opens the door for more state intervention in ERISA plans by redefining what counts as plan administration and design. Congressional action to clarify ERISA is needed to avoid potential end-problems with increased state regulation, namely more expensive and less attractive plans for beneficiaries. A forthcoming paper will further explore these problems, as well as potential solutions for Congress to consider.*

Read the analysis