

What is ERISA?

The federal Employment Retirement Income Security Act of 1974, as amended, is a federal law that aims to protect enrollees of employer-sponsored health plans and retirement plans from fraud and mismanagement. ERISA requires uniformity in plan administration across the United States and ensures that plan administrators provide certain types of notice to enrollees and protections as fiduciaries of plan enrollees.

Why should state legislators care about this federal law?

- Due to ERISA's preemption provisions, states cannot regulate self-insured health plans.
- States **cannot** impose insurance mandates on **self-insured** health plans.
- States **can** impose insurance mandates on **fully insured** employer health plans.
- States cannot regulate employers as insurers, even when the employers directly pay for health benefits for employees and dependents ("Deemer Clause").
- Though states are granted power to regulate the business of insurance under the McCarran-Ferguson Act, this does not extend to self-insured plans.

Employers depend on ERISA preemption to efficiently manage health and pension plan benefits and avoid multiple conflicting regulatory schemes across jurisdictions in the United States.

Through uniformity in plan design and administration, employer health plans are empowered to offer **lower cost** coverage through economies of scale, application of best practices, and leveraging nationwide purchasing power.

Why do Missouri employers and health plans want to ensure that ERISA preemption be unchallenged?

- ERISA provides simplicity and consistency for enrollees in employer-sponsored health coverage across 50 states; and
- Means that Missouri workers and their dependents pay less for coverage that does not have overhead costs associated with dealing with a multiplicity of regulatory schemes across the USA; and
- Allows employers the flexibility they need to determine how best to meet their employees' and retirees' needs; and
- Encourages innovation in employer health plan design, rather than state or federal interference on a "one-size-fits-all" basis.

We, the undersigned Missouri employers and health plans, support Missouri state legislators in ensuring that Missouri remain a state that is friendly to employers and employer-sponsored health coverage, which covers about 1 in 3 Missourians. We urge you to preserve affordable, reliable health care for your constituents by avoiding challenges to ERISA preemption.