



March 7, 2018

ATTORNEY GENERAL MADIGAN OPPOSES U.S. DEPARTMENT OF LABOR'S ATTEMPT TO UNDERMINE THE AFFORDABLE CARE ACT***Comments Filed by Madigan & 16 Other Attorneys General Oppose Proposed Rule That Seeks to Expand Access to Health Plans Associated with Fraud, Mismanagement & Abuse***

Chicago — Attorney General Lisa Madigan, with 16 other attorneys general, filed comments opposing a proposed rule by the U.S. Department of Labor (DOL) that seeks to loosen the criteria to form association health plans (AHPs) in order to allow insurers and employers to evade consumer protections in the Affordable Care Act (ACA). AHPs have a long history of fraud, mismanagement and abuse, including disappearing after they have collected premiums from health care consumers and leaving millions in unpaid claims for policyholders and providers.

Over the last few decades, Congress has legislated to protect health care consumers from fraudulent conduct by AHPs, including adding protections in the ACA that limited the ability of AHPs to operate. The DOL proposed rule would expand availability of AHPs, undermining critical protections available to consumers on the health insurance exchanges without sufficient justification or consideration of the consequences. Madigan and the other attorneys general argue in their [comments](#) that the proposed rule is aimed at sabotaging the ACA.

"The U.S. Department of Labor's proposed rule is a thinly veiled attempt at undermining the Affordable Care Act that will make people vulnerable to fraud and abuse by association health plans," Madigan said. "The federal government should put peoples' health care needs first and withdraw the proposal immediately."

In their comments, Madigan and the other attorneys general said projections show that the proposed rule would lead to millions of enrollees shifting out of the ACA's individual and small group markets into AHPs that provide far fewer health benefits and no financial assistance. This exodus could also cause an increase in premiums for those remaining in the individual ACA market.

The DOL proposed rule reverses decades of agency and judicial interpretation of the types of entities that can be considered an AHP under the Employee Retirement Security Act of 1974 (ERISA). By enrolling with an AHP, rather than an individual plan under the ACA or a true employer plan under ERISA, health care consumers are likely to have far fewer benefits and protections. Because the DOL's proposed changes would increase the risk of fraud and harm to consumers, undermine the current small-group and individual health insurance markets, and are also inconsistent with the text of ERISA and the ACA, the attorneys general are urging that the proposed rule be withdrawn.

Joining Madigan in submitting the comments were the attorneys general of California, Connecticut, Delaware, District of Columbia, Hawaii, Iowa, Maine, Maryland, Massachusetts New Jersey, New Mexico, New York, Oregon, Pennsylvania, Virginia and Vermont.

-30-

[Return to March 2018 Press Releases](#)