



Details

OF THE NATIONAL BUSINESS GROUP ON HEALTH'S POSITION

Supporting the Federal Framework of ERISA

Support The Federal Framework of ERISA for Employer-Sponsored Health Benefits and Oppose Federal Waivers for State Health Reform

Employers must continue to have the flexibility to determine the types of benefits they offer and to tailor benefit plans to the specific needs of their employees and the circumstances of their companies.

States can, and should, play an important role in expanding coverage, and they have significant resources and authority to adopt innovative programs to do so. They do not have to unravel or harm employers' ERISA plans in order to offer coverage for the uninsured (see supporting document for a list of options that states can consider to expand coverage without amending ERISA).

States should not be permitted to regulate employer-sponsored benefit plans under waivers or carve-outs of ERISA's national framework.

The Federal Framework of ERISA is Essential to Employers' Ability to Offer Affordable Coverage and to Innovate in Health Benefits

Waivers or carve-outs of ERISA's national framework will discourage employers from offering benefits and reestablish the same problems that ERISA corrected.

Permitting states to regulate employer-sponsored benefits would eliminate two essential elements of ERISA that encourage employers to offer health benefits to employees—national uniformity and employer autonomy—and jeopardize health benefits for more than 130 million people.

National uniformity enables employers to offer and maintain uniform benefit plans across state lines and across local jurisdictions for their employees and retirees. It keeps benefit costs lower through greater economies of scale, purchasing leverage, and administrative efficiencies. Without ERISA preemption, employers would have to offer different benefits to employees based on where they work or live and to administer each plan separately, making it incredibly costly to administer benefit plans and creating issues of equity among employees. Employers would have the nearly impossible burden of navigating a patchwork of regulation, significantly raising compliance costs and risks of noncompliance and they would lose the ability to choose effective benefits to offer to employees.

About ERISA

ERISA provides the national framework that enables employers to find innovative health care and benefits solutions that benefit us all when they improve health care delivery and others adopt them. Subjecting employer plans to state laws rather than to regulations of the federal Department of Labor is likely to stifle innovation, raise costs and harm quality.

