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September 10, 2024

The Honorable Bob Good
Chair, Subcommittee on Health,
Employment, Labor, and Pensions
House Committee on Education & the Workforce
2176 Rayburn House Office Building
Washington, DC 20515

The Honorable Mark DeSaulnier
Ranking Member, Subcommittee on Health,
Employment, Labor, and Pensions
House Committee on Education & the Workforce
2101 Rayburn House Office Building
Washington, DC 20515

Dear Chair Good and Ranking Member DeSaulnier,

On behalf of our 159,000 members, the American Dental Association (ADA) is writing about the Committee on Education & the Workforce, Subcommittee on Health, Employment, Labor, and Pensions hearing on September 10, titled, "ERISA's 50th Anniversary: The Value of Employer-Sponsored Health Benefits." The ADA appreciates the opportunity to share its perspective on the impact of preemption under the Employee Retirement Income Security Act (ERISA) and its implications for state regulation of healthcare, particularly dental insurance. We believe that ensuring states retain their authority to regulate healthcare, including dental benefits, is essential for the fair treatment of patients and policyholders.

The Employee Retirement Income Security Act (ERISA) plays an important role in facilitating the ability of employers to provide meaningful health benefits by establishing a uniform set of rules to "govern central matters of plan administration." Rutledge v. Pharm. Care Mgmt. Assoc. (PCMA), 592 U.S. 80, 87 (2020). Yet for those benefits to remain meaningful, Congress must reject efforts by pharmacy benefit managers and insurance companies—entities that profit from shortchanging beneficiaries—to expand federal preemption under Section 514(a) of ERISA, 29 U.S.C. § 1144(a). Those efforts seek to expand federal authority and usurp states' exclusive traditional authority to regulate in the areas of health care and dental insurance.

Expanding ERISA preemption beyond central matters of plan administration infringes on states' traditional authority and creates regulatory vacuums that negatively impact health care for the very beneficiaries that ERISA was enacted to protect. If states cannot enforce laws regarding how health care is delivered and paid for, no one can. The regulation of insurance and health care quality are parts of the historic police powers reserved for the states. They are vital to ensuring that employer-provided health benefits remain meaningful. Insurance companies, PBMs, and large employers will dictate how Americans receive health care with no government oversight or accountability. The beneficiaries Congress enacted ERISA to protect will be vulnerable to abusive practices unconstrained by government oversight.

To respect states' traditional authority and ensure that beneficiaries continue to receive meaningful health benefits, ERISA preemption must be limited to the areas with which ERISA is expressly concerned, such as reporting, disclosure, and fiduciary responsibility. The Supreme Court in Rutledge, 592 U.S. at 87, defined those areas a "central matters of plan administration." Expanding preemption further into states' traditional authority to regulate healthcare and dental insurance would only harm beneficiaries and undermine the value of the benefits they receive.

We appreciate your attention to these important issues and are available to provide further information as needed. Please contact Mr. Chris Tampio, tampioc@ada.org or 202-789-5178 for further discussion.

Sincerely,

Linda J. Edgar, D.D.S., M.Ed.
President

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Executive Director

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