



PRESS RELEASE

Attorney General Frosh Joins Coalition to Block Attempt to Undermine Affordable Care Act *AHP Rule Expands Health Plans that Have a Long History of Fraud, Mismanagement, and Abuse*

BALTIMORE, MD (July 26, 2018) – Maryland Attorney General Brian E. Frosh today joined a coalition of 12 attorneys general in filing a [lawsuit](#) challenging the Department of Labor’s Association Health Plan (AHP) Final Rule. AHPs have a long history of fraud, mismanagement, and abuse, with millions in unpaid claims for policyholders and providers, often leading to consumer bankruptcies. The Rule dramatically expands the footprint of AHPs allowing them the unprecedented ability to form in order to evade consumer protections and sabotage the Affordable Care Act (ACA).

Over the last few decades, Congress has legislated – including through the ACA – to protect consumers from AHPs’ fraudulent conduct and to ensure consumers have comprehensive health coverage without higher premiums or fewer benefits based on pre-existing conditions. The AHP Rule would undo critical federal consumer protections and unduly expand access to AHPs without sufficient justification or consideration of the consequences.

“The Trump administration’s AHP Rule is yet another attempt to undermine the Affordable Care Act at the expense of consumers,” said Attorney General Frosh. “The suit filed today seeks to safeguard protections for consumers from substandard plans, and to ensure that all Marylanders have access to quality, affordable health care.”

The lawsuit filed today alleges that the Department of Labor violated the Administrative Procedure Act when it promulgated the AHP rule. The lawsuit also argues that the Rule violates both the ACA and the Employment Retirement Income Security Act (ERISA), and that it unlawfully reverses decades of agency and judicial interpretation of ERISA’s key terms, with the primary purpose of undermining the ACA and without accounting for increased risk of fraud and harm to consumers based on a longstanding history of such conduct by similar plans. The Attorneys General are urging that the AHP Rule be vacated.

The suit, led by New York Attorney General Barbara Underwood and Massachusetts Attorney General Maura Healey, was filed in the U.S. District Court for the District of Columbia by the Attorneys General of New York, Massachusetts, District of Columbia, California, Delaware, Kentucky, Maryland, New Jersey, Oregon, Pennsylvania, Virginia, and Washington.