



## PRESS RELEASE

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### **Attorney General Frosh Joins Coalition Urging U.S. Labor Department to Clarify Consumers' Right to Comprehensive Health Benefits**

**BALTIMORE, MD (May 13, 2019)** – Maryland Attorney General Brian E. Frosh today joined a coalition of Attorneys General in criticizing a recent policy from the U.S Department of Labor that fails to enforce provisions of the Affordable Care Act with respect to Association Health Plans.

The coalition's [letter](#) states that the Labor Department's policy is materially incomplete because it "does not inform consumers that key Affordable Care Act (ACA) requirements—such as the Essential Health Benefits Package—now apply to individuals and small groups enrolled in Association Health Plans (AHPs) formed under the rule." The letter urges the Labor Department to "clearly state, up front, what the law plainly requires: that AHPs formed under the now-vacated final rule must meet the ACA's key requirements, including the Essential Health Benefits Package."

The Department's policy also fails to note that AHP's have to comply with State law and that continued operation of an AHP under the recently overturned regulation may violate State as well as existing federal law.

"The Labor Department has been trying to undermine the Affordable Care Act," said Attorney General Frosh. "This Trump Administration policy puts the health of Maryland families at risk. Despite numerous repeal efforts and attempts to dismantle its provisions, the ACA remains in effect and health insurance providers must comply with the law."

In July 2018, Maryland joined a lawsuit, led by New York, to block efforts by the Trump administration to dismantle the ACA using the AHP Rule, which would undo critical federal consumer protections and unduly expand access to AHPs without sufficient justification or consideration of the consequences.

The lawsuit alleged that the Labor Department violated the Administrative Procedure Act when it promulgated the AHP Rule, and argued that the Rule violates both the ACA and the Employee Retirement Income Security Act (ERISA). It argued that the rule 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.

President Trump himself had proclaimed that the AHP Rule was intended to sabotage the ACA: during a speech on June 19, 2018, the President remarked that the Rule was a “truly historic step in our efforts to rescue Americans from Obamacare and the Obamacare nightmare” and would “escape some of Obamacare’s most burdensome mandates.”

On August 23, 2018, the States moved for summary judgment in the lawsuit, arguing that the AHP Rule “violates the ACA by seeking to overturn Congress’s reforms of the individual and small group markets.”

On March 28, 2019, the U.S. District Court for the District of Columbia ruled for the States, concluding that the Rule “does violence” to laws enacted by Congress, is “clearly an end-run around the ACA,” and “creates absurd results.”

In addition to Maryland, the letter is signed by the Attorneys General of California, the District of Columbia, Delaware, Kentucky, Massachusetts, New Jersey, New York, Oregon, Pennsylvania, Virginia, and Washington.