

March 25, 2025

Senator Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401

**Re: AHIP Opposes House Bill 321 in relation to ERISA**

Dear Chair Beidle:

AHIP appreciates the opportunity to comment on HB 321, legislation which runs afoul of federal preemption because of its application to self-insured Employee Retirement Income Security Act of 1974 (ERISA) covered plans.

Today, more than half of Americans receive their health insurance through employer coverage that is governed by ERISA, which affords employers consistency and uniformity of health plan administration. This encourages health care coverage that improves the health and financial stability of employees and their families. In Maryland, more than 3.2 million residents (54% of the state's covered population) are covered by employer insurance. Of those Maryland employers that provide coverage to their employees, 48% of those employers offer self-insured ERISA plans.<sup>1</sup>

**AHIP strongly opposes any attempt to regulate ERISA self-funded plans beyond the limits allowed under federal preemption law and jurisprudence.** We are concerned that several provisions in HB 321 are preempted by ERISA and, should the proposed policies be enacted, it may jeopardize the cost-saving, uniform standards your state's self-insured ERISA employers rely upon to provide affordable health insurance coverage to their employees.

**AHIP supports a single, cost-saving national standard of regulation for employer-provided health care coverage** – one that gives employers the option to assume financial risk and allows employers to choose specifically tailored and uniform benefits for their employees regardless of where they live. This ensures more affordable coverage that is easier to administer and understand. The alternative, a 50-state patchwork of complicated and inconsistent mandates for employer provided coverage, would cause confusion, and make coverage more expensive for Maryland employers and employees.

**We are providing a legal analysis supporting this position.** The Groom Law Group prepared the attached detailed legal analysis, including a discussion of the ERISA and jurisprudence landscape, a description of the specific provisions included in HB 321 of concern, and the basis for the federal preemption.

To protect Maryland's employers from increased health care costs, AHIP urges you not to favorably report HB 321.

Sincerely,



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<sup>1</sup> [https://www.ahip.org/documents/202407-EPC\\_StateData-Maryland.pdf](https://www.ahip.org/documents/202407-EPC_StateData-Maryland.pdf)

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AHIP is the national association whose members provide insurance coverage for health care and related services. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation. We are committed to market-based solutions and public-private partnerships that improve affordability, value, access, and well-being for consumers.