



St. Louis Effort for AIDS et al. v. Huff

Background

In 2014, St. Louis Effort for AIDS and other nonprofit groups sued the Missouri Department of Insurance, Financial Institutions and Professional Registration to stop the agency from enforcing provisions of a Missouri law enacted during the previous legislative session. The provisions at issue were part of Missouri's Health Insurance Marketplace Innovation Actⁱ (HIMIA), which restricts the ability of assisters¹, namely navigators and Certified Application Counselors (CACs), to provide assistance in health insurance enrollment. The plaintiffs in this case argued that certain Missouri laws conflicted with the federal government's Affordable Care Act (ACA), and other federal regulations regarding the duties of assisters. The ACA created a marketplace where individuals can shop for health insurance and compare plans. States had the option of establishing their own marketplaces, but if they chose not to do so, the federal government would create and maintain a federal marketplace in that state. Every marketplace, whether federal- or state-based, must utilize assisters to facilitate enrollment and help consumers purchase health insurance. The ACA, along with federal regulations, outline the roles and responsibilities of the assisters.

Prior to this case, the Eighth Circuit court upheld a preliminary injunction that prevented the Department from enforcing those sections of the HIMIA. The Department appealed this decision.

Federal Court Ruling

On Thursday, March 16, 2016, the United States District Court for the Western District of Missouri affirmed the preliminary injunction and permanently prohibited the Department from enforcing these statutes. In coming to this decision, the court ruled that the state's HIMIA conflicted with federal law and regulations concerning the duties of assisters. Due to the Supremacy Clause in the U.S. Constitution, when a state law conflicts with federal law it is preempted by that federal law. In finding that three sections of the HIMIA conflicted, the judge examined whether the state's provisions "hinder or impede" the purpose of the federal law and regulations relating to assisters.

The HIMIA included three specific sections that created obstacles for assisters working to uphold their federally mandated duties. One section prohibited a navigator from "provid[ing] advice concerning the benefits, terms and features of a particular health plan or offer[ing] advice about which exchange health plan is better or worse for a particular individual or employer."ⁱⁱ This rendered assisters incapable of providing information or giving notice about the types of plans available to an individual. The court found that this provision impeded assisters from upholding their responsibilities under the ACA to educate consumers about plan options and the differences between plans offered in the marketplace.

¹ The term "assisters" collectively refers to CACs and navigators for the purpose of this factsheet. Assisters are individuals that offer in-person assistance to consumers in enrolling for health insurance. Navigators are organizations or individuals who help people enroll in coverage and review eligibility for affordability programs. CACs are individuals at designated, certified entities that also provide this assistance.

The second provision at issue prevented a navigator from “provid[ing] any information or services related to health benefits plans or other products not offered in the exchange.”ⁱⁱⁱ This provision inhibited assisters’ ability to offer information on the full range of health insurance choices, whether offered in the marketplace or not. The court found this statute to be in direct contradiction to the federal regulations, which require assisters to inform consumers about all of the health plan variations available to them, both on and off the marketplace.

The final section of the HIMIA under debate required assisters to refer individuals who have existing health insurance to licensed insurance brokers or insurance agents for help.^{iv} The ACA and relevant federal regulations make it clear that assisters have the duty to act in the best interest of the consumer throughout enrollment and to provide impartial and accurate information. Insurance brokers and agents, on the other hand, do not owe the same degree of responsibility to consumers. In fact, insurance agents act on behalf and for the benefit of their insurance companies. As a result of the differing obligations between assisters, brokers, and agents, there would be potential gaps in access to information for consumers that might have inhibited their ability to understand their options. Therefore, the court found that requiring assisters to refer to these individuals hindered their duty to provide fair and accurate information to the consumer.

In ruling that these provisions of Missouri law conflicted with the ACA, the court issued an order that would permanently forbid the Department from enforcing these state provisions.^v

Impact of Ruling

This judgment has far-reaching influence beyond Missouri law. Several states across the country enacted similar laws in response to the ACA that restrict what navigators and CACs are able to do. Although the decision is not binding for states with comparable statutes, this ruling may serve as a model for what those states may expect if their restrictions are challenged. This judgment is also important because it reinforces the vital role navigators and CACs play in ensuring consumers are well informed when purchasing health insurance. Similarly, consumers can rest assured that they are receiving accurate and impartial information from assisters to better equip them in their decision-making. This will enable consumers to obtain the insurance coverage that best fits them and their families.

Endnotes

ⁱ Revised Statutes of Missouri, Section 376.2002-376.2008.

ⁱⁱ Revised Statutes of Missouri, Section 376.2002.3(3)

ⁱⁱⁱ Revised Statutes of Missouri, Section 376.2002.3(5)

^{iv} Revised Statutes of Missouri, Section 376.2008

^v *St. Louis Effort for AIDS et al., v. Huff*, W.D. Mo., March 16, 2016