

High court limits state power to gather health care data

March 1 2016, by Sam Hananel

The Supreme Court says state officials can't force certain health insurers to turn over reams of data revealing how much they pay for medical claims.

The justices ruled 6-2 that efforts by Vermont and at least 17 other states to gather and analyze the data conflict with federal law covering reporting requirements for employer health plans.

The case involves Liberty Mutual Insurance Co., which operates a self-insured health plan for its workers and refused to turn its data over to Vermont.

Writing for the court, Justice Anthony Kennedy said the potential for a patchwork of different state regulations could impose major financial and administrative burdens on [health care](#) providers and could subject them to wide-ranging liability.

He said Vermont's reporting law is inconsistent with the federal goal of "a uniform national scheme" for collecting the data. Kennedy also pointed out that the U.S. Secretary of Labor, not the states, is authorized to collect data on benefit plans for statistical and research purposes.

Justice Ruth Bader Ginsburg dissented, saying Vermont's efforts to track [health care services](#) did not intrude on federal law. She said federal law was focused on making sure that benefit plans offered the right coverage, while Vermont was gathering data aimed at improving health

care quality and reducing costs. She was joined in dissent by Justice Sonia Sotomayor.

Vermont and other states that have been collecting health care data say their databases would be incomplete and much less useful without data from all health care payers. These states argue that they are using their traditional powers to ensure the health and safety of their citizens.

More than a dozen other states had shown interest in compiling similar databases to monitor health care prices and allow consumers to compare plans.

About 93 million people are covered under self-insured health care plans, in which the employer pays out claims with its own funds rather than going through an insurance company.

In the dispute before the high court, Liberty Mutual told the third-party administrator for its employee health plan, Blue Cross and Blue Shield of Massachusetts, not to give the data to Vermont.

A federal district court ruled in favor of the state, saying the state requirements did not interfere with Liberty Mutual's ERISA plan. But a federal appeals court sided with Liberty Mutual, saying that reporting requirements are governed by [federal law](#) and being subject to state requirements would be too burdensome.

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