



AMERICAN BENEFITS COUNCIL

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NEWS RELEASE

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Supreme Court ERISA decision raises serious concerns about employers' ability to provide uniform benefits

Implications of Rutledge v. PCMA ruling bigger than just PBMs

WASHINGTON, DC –“Major U.S. companies operating nationwide seek to provide uniform, consistent benefits to their workforce. The ability to do so may be much more challenging in the wake of today’s U.S. Supreme Court’s decision in *Rutledge v. PCMA*,” American Benefits Council President James A. Klein said today.

The high court’s decision overturns an 8th Circuit Court of Appeals ruling that Arkansas’ Act 900 – regulating pharmacy benefit managers (PBMs) –relates to, and has a connection with, employee benefit plans, and should therefore be preempted by ERISA. It also potentially invites states to enact myriad laws that intrude upon the design and operation of benefit plans.

“It is no secret that employers and PBMs are not always aligned,” Klein said. “But there was a fundamental principle at stake in this case: whether employers can administer benefit plans free from a patchwork of multiple state and local laws. This decision narrows that principle in ways that could prove to be significant for health and retirement benefits more broadly.”

The Council, together with the U.S. Chamber of Commerce e, had filed an [amicus \(“friend of the court”\) brief](#) with the court earlier this year, arguing that just such a ruling would pose “a serious threat to the ability of plan sponsors to offer nationwide employee benefit plans that can be administered in a uniform manner from state to state” and “decrease efficiency and increase plan costs” for numerous kinds of benefits and plans.

“For nearly five decades, federal preemption has been the ‘crown jewel’ of national law governing benefit plans. Today’s ruling is a clarion call for employers to confront state and local action that may be well-intentioned but severely complicates the ability to offer employees consistent benefits. As states now press forward with new requirements, defenders of ERISA preemption will need to help courts understand how such state laws are distinguishable from the kind of statute that was considered in this particular case,” Klein said.

For more information on ERISA preemption or this case specifically, contact Jason Hammersla, Council vice president, communications, at jhammersla@abcstaff.org or by phone at 202-289-6700 (office) or (202) 422-4652 (cell).

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The Council is a public policy organization whose members include over 220 of the world’s largest corporations, as ranked by Fortune and Forbes. Collectively, the Council’s members either directly sponsor or administer health and retirement benefits for virtually all Americans covered by employer-sponsored plans.