RESOLUTION ON SALE OF HEALTH INSURANCE ACROSS STATE LINES

WHEREAS, it is in states’ best interests to stabilize health insurance markets, increase consumer choices, reduce health insurance premiums and stem health care cost growth; and

WHEREAS, regulation of health insurance markets has been a traditional area of state responsibility; and

WHEREAS, states can exercise flexibility to meet the needs of consumers and health insurance markets; and

WHEREAS, Section 1333 of the Patient Protection and Affordable Care Act contains language calling for federal regulations by July 1, 2013, to set standards that states could use to adopt health care choice interstate compacts for the purchase of health insurance across state lines but regulations were never promulgated; and

WHEREAS, some states have adopted state laws to permit consumers to purchase health care insurance across state lines; and

WHEREAS, in states where health insurance purchase across state lines is statutorily permissible, no insurance companies have offered plans for purchase; and

WHEREAS, discussion continues at the federal level to undertake public policy reforms that would encourage and facilitate the sale of health insurance across state lines; and

WHEREAS, sale of health insurance across state lines may result in increasing the proportion of high-risk individuals remaining in a state’s risk pool and consequently increasing premium costs to the state’s consumers; and

WHEREAS, when sale of health insurance across state lines results in narrow provider networks and inadequate access to services, state departments of insurance will not have authority to protect consumers interests and redress consumer complaints.

NOW, THEREFORE BE IT RESOLVED, that The Council of State Governments urges the federal government not to preempt states’ regulatory authority in health insurance markets; and

BE IT FURTHER RESOLVED, that The Council of State Governments urges the federal government to consult with states before undertaking any federal action that would promote interstate compacts for the sale of health insurance across state lines.
**Resolution Summary**

This resolution addresses the traditional area of state responsibility in the regulation of health insurance markets and how the sale of health insurance across state lines could diminish states’ abilities to protect their consumers in the individual health insurance market and to redress consumer complaints about health insurance coverage, benefits, costs and administration. It urges the federal government not to preempt states’ traditional regulatory authority in health insurance markets and to consult with states before undertaking any federal actions that would promote compacts for sale of health insurance across state lines or that could undermine states’ consumer protection role in health insurance markets.

**Additional Resources**


- JAMA Forum; Those Pesky Lines Around States, Larry Levitt, October 19, 2016  
  [https://newsatjama.jama.com/2016/10/19/jama-forum-those-pesky-lines-around-states/](https://newsatjama.jama.com/2016/10/19/jama-forum-those-pesky-lines-around-states/)

- Legal Solutions in Health Reform: The Purchase of Insurance Across State Lines in the Individual Market, Stephanie Kanwit, O’Neill Institute for National and Global Health Law, Georgetown University  
  [https://www.cbo.gov/publication/51580](https://www.cbo.gov/publication/51580)

- The Pros and Cons of Selling Health Insurance Across State Lines, Joseph Antos, American Enterprise Institute, February 26, 2016  

**CSG Management Directives**

The CSG staff will post this resolution, when approved, to CSG’s website and work with Congress, Executive Branch officials, and stakeholders to promote dialogue between the federal government and the states on policies related to the sale of health insurance across state lines.