

Syllabus

NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States v. Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

Syllabus

**GOBEILLE, CHAIR OF THE VERMONT GREEN
MOUNTAIN CARE BOARD v. LIBERTY MUTUAL
INSURANCE CO.**

CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR
THE SECOND CIRCUIT

No. 14–181. Argued December 2, 2015—Decided March 1, 2016

Vermont law requires certain entities, including health insurers, to report payments relating to health care claims and other information relating to health care services to a state agency for compilation in an all-inclusive health care database. Respondent Liberty Mutual Insurance Company’s health plan (Plan), which provides benefits in all 50 States, is an “employee welfare benefit plan” under the Employee Retirement Income Security Act of 1974 (ERISA). The Plan’s third-party administrator, Blue Cross Blue Shield of Massachusetts, Inc. (Blue Cross), which is subject to Vermont’s disclosure statute, was ordered to transmit its files on eligibility, medical claims, and pharmacy claims for the Plan’s Vermont members. Respondent, concerned that the disclosure of such confidential information might violate its fiduciary duties, instructed Blue Cross not to comply and filed suit, seeking a declaration that ERISA pre-empts application of Vermont’s statute and regulation to the Plan and an injunction prohibiting Vermont from trying to acquire data about the Plan or its members. The District Court granted summary judgment to Vermont, but the Second Circuit reversed, concluding that Vermont’s reporting scheme is pre-empted by ERISA.

Held: ERISA pre-empts Vermont’s statute as applied to ERISA plans. Pp. 5–13.

(a) ERISA expressly pre-empts “any and all State laws insofar as they may now or hereafter relate to any employee benefit plan.” 29 U. S. C. §1144(a). As relevant here, the clause pre-empts a state law that has an impermissible “connection with” ERISA plans, *i.e.*, a law

Syllabus

that governs, or interferes with the uniformity of, plan administration. *Egelhoff v. Egelhoff*, 532 U. S. 141, 148. Pp. 5–6.

(b) The considerations relevant to the determination whether an impermissible connection exists—ERISA’s objectives “as a guide to the scope of the state law that Congress understood would survive,” *New York State Conference of Blue Cross & Blue Shield Plans v. Travelers Ins. Co.*, 514 U. S. 645, 656, and “the nature of” the state law’s “effect . . . on ERISA plans,” *California Div. of Labor Standards Enforcement v. Dillingham Constr., N. A., Inc.*, 519 U. S. 316, 325—lead to the conclusion that Vermont’s regime, as applied to ERISA plans, is pre-empted. Pp. 6–12.

(1) ERISA seeks to make the benefits promised by an employer more secure by mandating certain oversight systems and other standard procedures, *Travelers*, 514 U. S., at 651, and those systems and procedures are intended to be uniform, *id.*, at 656. ERISA’s extensive reporting, disclosure, and recordkeeping requirements are central to, and an essential part of, this uniform plan administration system. Vermont’s law and regulation, however, also govern plan reporting, disclosure, and recordkeeping. Pre-emption is necessary in order to prevent multiple jurisdictions from imposing differing, or even parallel, regulations, creating wasteful administrative costs and threatening to subject plans to wide-ranging liability. ERISA’s uniform rule design also makes clear that it is the Secretary of Labor, not the separate States, that is authorized to decide whether to exempt plans from ERISA reporting requirements or to require ERISA plans to report data such as that sought by Vermont. Pp. 7–10.

(2) Vermont’s counterarguments are unpersuasive. Vermont argues that respondent has not shown that the State scheme has caused it to suffer economic costs, but respondent need not wait to bring its pre-emption claim until confronted with numerous inconsistent obligations and encumbered with any ensuing costs. In addition, the fact that ERISA and the state reporting scheme have different objectives does not transform Vermont’s direct regulation of a fundamental ERISA function into an innocuous and peripheral set of additional rules. Vermont’s regime also cannot be saved by invoking the State’s traditional power to regulate in the area of public health. Pp. 10–12.

(c) ERISA’s pre-existing reporting, disclosure, and recordkeeping provisions maintain their pre-emptive force regardless of whether the new Patient Protection and Affordable Care Act’s reporting obligations also pre-empt state law. Pp. 12–13.

746 F. 3d 497, affirmed.

KENNEDY, J., delivered the opinion of the Court, in which ROBERTS,

Syllabus

C. J., and THOMAS, BREYER, ALITO, and KAGAN, JJ., joined. THOMAS, J., and BREYER, J., filed concurring opinions. GINSBURG, J., filed a dissenting opinion, in which SOTOMAYOR, J., joined.

Opinion of the Court

NOTICE: This opinion is subject to formal revision before publication in the preliminary print of the United States Reports. Readers are requested to notify the Reporter of Decisions, Supreme Court of the United States, Washington, D. C. 20543, of any typographical or other formal errors, in order that corrections may be made before the preliminary print goes to press.

SUPREME COURT OF THE UNITED STATES

No. 14–181

ALFRED GOBEILLE, IN HIS OFFICIAL CAPACITY AS
CHAIR OF THE VERMONT GREEN MOUNTAIN
CARE BOARD, PETITIONER *v.* LIBERTY
MUTUAL INSURANCE COMPANY

ON WRIT OF CERTIORARI TO THE UNITED STATES COURT OF
APPEALS FOR THE SECOND CIRCUIT

[March 1, 2016]

JUSTICE KENNEDY delivered the opinion of the Court.

This case presents a challenge to the applicability of a state law requiring disclosure of payments relating to health care claims and other information relating to health care services. Vermont enacted the statute so it could maintain an all-inclusive health care database. Vt. Stat. Ann., Tit. 18, §9410(a)(1) (2015 Cum. Supp.) (V. S. A.). The state law, by its terms, applies to health plans established by employers and regulated by the Employee Retirement Income Security Act of 1974 (ERISA), 88 Stat. 829, as amended, 29 U. S. C. §1001 *et seq.* The question before the Court is whether ERISA pre-empts the Vermont statute as it applies to ERISA plans.

I
A

Vermont requires certain public and private entities that provide and pay for health care services to report information to a state agency. The reported information is

Opinion of the Court

compiled into a database reflecting “all health care utilization, costs, and resources in [Vermont], and health care utilization and costs for services provided to Vermont residents in another state.” 18 V. S. A. §9410(b). A database of this kind is sometimes called an all-payer claims database, for it requires submission of data from all health insurers and other entities that pay for health care services. Almost 20 States have or are implementing similar databases. See Brief for State of New York et al. as *Amici Curiae* 1, and n. 1.

Vermont’s law requires health insurers, health care providers, health care facilities, and governmental agencies to report any “information relating to health care costs, prices, quality, utilization, or resources required” by the state agency, including data relating to health insurance claims and enrollment. §9410(c)(3). Health insurers must submit claims data on members, subscribers, and policyholders. §9410(h). The Vermont law defines health insurer to include a “self-insured . . . health care benefit plan,” §9402(8), as well as “any third party administrator” and any “similar entity with claims data, eligibility data, provider files, and other information relating to health care provided to a Vermont resident.” §9410(j)(1)(B). The database must be made “available as a resource for insurers, employers, providers, purchasers of health care, and State agencies to continuously review health care utilization, expenditures, and performance in Vermont.” §9410(h)(3)(B).

Vermont law leaves to a state agency the responsibility to “establish the types of information to be filed under this section, and the time and place and the manner in which such information shall be filed.” §9410(d). The law has been implemented by a regulation creating the Vermont Healthcare Claims Uniform Reporting and Evaluation System. The regulation requires the submission of “medical claims data, pharmacy claims data, member eligibility

Explore Litigation Insights

Docket Alarm provides insights to develop a more informed litigation strategy and the peace of mind of knowing you're on top of things.

Real-Time Litigation Alerts



Keep your litigation team up-to-date with **real-time alerts** and advanced team management tools built for the enterprise, all while greatly reducing PACER spend.

Our comprehensive service means we can handle Federal, State, and Administrative courts across the country.

Advanced Docket Research



With over 230 million records, Docket Alarm's cloud-native docket research platform finds what other services can't. Coverage includes Federal, State, plus PTAB, TTAB, ITC and NLRB decisions, all in one place.

Identify arguments that have been successful in the past with full text, pinpoint searching. Link to case law cited within any court document via Fastcase.

Analytics At Your Fingertips



Learn what happened the last time a particular judge, opposing counsel or company faced cases similar to yours.

Advanced out-of-the-box PTAB and TTAB analytics are always at your fingertips.

API

Docket Alarm offers a powerful API (application programming interface) to developers that want to integrate case filings into their apps.

LAW FIRMS

Build custom dashboards for your attorneys and clients with live data direct from the court.

Automate many repetitive legal tasks like conflict checks, document management, and marketing.

FINANCIAL INSTITUTIONS

Litigation and bankruptcy checks for companies and debtors.

E-DISCOVERY AND LEGAL VENDORS

Sync your system to PACER to automate legal marketing.