



Kentucky Association of Health Plans v. Miller, 538 U.S. 329 (2003)

Topics Covered: Any Willing Provider Laws, ERISA Preemption

Outcome: Very Favorable

Issue

The issue in this case was whether Kentucky's "any willing provider" ("AWP") law was preempted by the federal ERISA statute.

AMA Interest

The AMA opposes federal preemption of state AWP laws.

Case Summary

The Kentucky Health Care Reform Act included an AWP provision requiring that health insurers accept any providers willing and qualified to participate on the insurers' managed care panels. Plaintiffs, a trade association of health care plans and several managed care organizations, sued to have the Kentucky AWP laws declared invalid, as preempted by the federal ERISA statute.

The trial court ruled against them, and the plaintiffs appealed. The United States Court of Appeals for the Sixth Circuit affirmed, by a split decision. Following this ruling, the plaintiffs again appealed, this time to the United States Supreme Court.

The Supreme Court upheld the Kentucky AWP laws, stating that it was making a "clean break" from earlier cases that analyzed whether state laws are saved from preemption because they "regulate insurance." Under the Court's holding, a state law is deemed to regulate insurance under ERISA § 514(b) if it (1) is specifically directed toward entities engaged in insurance and (2) substantially affects the risk pooling arrangement between the insured and the insurer.

Litigation Center Involvement

The Litigation Center joined the Kentucky Medical Association and several specialty medical societies in an amicus curiae brief that argued that the Kentucky AWP laws are valid, because they do not "relate to" employee benefit plans under ERISA § 514(a).

United States Supreme Court brief