

ADMINISTRATIVE SERVICES PROGRAM NOT AN ERISA PLAN OR A MEWA

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Employee Benefits

The Department of Labor's Employee Benefits Security Administration (EBSA) issued an ERISA Opinion Letter concluding that the Health Transformation Alliance (HTA) is neither an employee welfare benefit plan, nor a multiple employer welfare arrangement. The HTA is a member-operated cooperative. Large employer-members pay capital contributions and fees to access the HTA services designed to improve the way the employer-members and their employee benefit plans purchase healthcare coverage for their employees. These services include giving members access to cost, quality, and access standards for medical networks based on spending and utilization analysis. The HTA also negotiates with health care benefit providers on behalf of its participant members. HTA members operate separate employee benefit plans under administrative services agreements contracts with various insurance agencies. The EBSA determined that the HTA, and the bundle of administrative services HTA offers its members, is not an ERISA employee welfare benefit plan because it has no employee participants and does not provide covered benefits to their employees or their dependents. Also, the HTA is not a MEWA because no component of the HTA program "offers or provides" any welfare benefits to employees of its member-employers. In addition, the HTA program is not a MEWA because no component of the program underwrites or guarantees welfare benefits, provides welfare benefits through group insurance contracts covering more than one employer, pools risk among participating employers, or provides similar insurance or risk spreading functions. (ERISA Op. Letter No. 2017-01A (2017))