

Injunction Upheld Regarding Missouri's Health Insurance Marketplace Innovation Act



Enacted in 2013, the Missouri Health Insurance Marketplace Innovation Act (HIMIA) took steps to strictly regulate specific factors within the state health insurance industry. Specifically, the Act, which was established under the passing of HB 701, imposed further licensing standards on insurance navigators who assisted with enrollment in Missouri's federal healthcare exchange. In addition, the Act aimed to curtail the engagement activities of such navigators, as well. Before the enforcement of the Act (in January 2014) the St. Louis Effort for AIDS, as well as a group of other plaintiffs, filed suit to enjoin John Huff, director of the Missouri Department of Insurance, from enforcing HIMIA in regards to the restrictions on the navigators; here, the plaintiffs were successful, leading to an appeal by Huff immediately thereafter. Recently the Eighth Circuit Court of Appeals wrote an opinion on the issue. The decision weighed in favor of both parties, and sent the case back to the district court for reconsideration. **Specifics of the Case** The original lawsuit centered on HIMIA's restrictions on navigators; specifically, the plaintiffs claimed that because the Affordable Care Act (ACA) created the existence and function of navigators in Missouri's federally-facilitated exchange, and not the Missouri Department of Insurance, that federal law preempted the Act in this case. Furthermore, the plaintiffs claimed that HIMIA violated the First Amendment, and that portions were void under the Due Process Clause of the Constitution. The district court agreed with the plaintiffs, asserting that they were likely to succeed on their merits. In enjoining Huff, the district court prevented the state of Missouri from enforcing HIMIA in its entirety. **On Appeal** In the appeal, Huff challenged the original court's decision that the plaintiffs, now the appellees, were likely to succeed on the merits. Upon hearing the appeal, the Eighth Circuit Court of Appeals issued a two-part opinion, with portions favoring each party. In favor of the original plaintiffs, the court affirmed the order of the preliminary injunction for portions of HIMIA that regulate the conduct of the insurance navigators. Conversely, in favor of the original defendant, now the appellant, the court vacated the remainder regarding the violations of the First Amendment or Due Process Clause, and sent the case back to the district court for further proceedings. **Effects on the Future** Ultimately, the court of appeals agreed that the original plaintiffs' claim of preemption had merit, thus enforcing part of the preliminary injunction. In addition, the original decision in the case, as well as the decision of the appeals court, will likely have a significant effect on health insurance industries nationwide. By deciding in favor of the plaintiffs originally, the district court somewhat asserted that those states who chose to participate in federally-facilitated exchanges, as opposed to state-facilitated, were not allowed to take action to regulate the insurance exchange itself. And, in partially deciding in favor of the original plaintiffs, the appeals court agreed that where federal law preempted state law, states were forced to abide by the former. It's unsure how the district court will decide as the case is sent back for consideration. If you believe this case may have an effect on your future, or have questions about the future of HIMIA or other healthcare laws, reach out to the Health Care Attorneys at Seigfreid Bingham

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