

As representatives of the North Dakota business community, we are writing on behalf of employers who rely on the Employee Retirement Income Security Act (ERISA) to provide high-quality health benefits to North Dakotans. We urge you to protect this vital law, which has safeguarded both employees and employers for over 50 years.

When ERISA was passed by Congress in 1974, it preempted states from passing laws affecting the administration or design of employer health plans. This important preemption has remained intact for over 50 years, providing a consistent regulatory framework that allows employers to operate confidently across state lines, minimizing the administrative burdens that would otherwise come with a patchwork of state-level regulations.

- **ERISA protects the State of North Dakota and taxpayers** by encouraging private employers to offer benefit plans for their employees rather than relying on public resources.
- **ERISA protects employees** by establishing consistent guidelines for retirement and health plans offered by multi-state private employers.
- **ERISA protects employers** by supporting a uniform benefit program for all employees and by avoiding complications of a patchwork system between states.

In North Dakota, close to 430,000 people rely on ERISA-regulated self-funded health plans. These plans are the backbone of our state's health care coverage. ERISA's uniformity is essential to North Dakota's economic success, enabling businesses to offer competitive benefits and maintain operational efficiency without the complexities of varying state mandates. For small and medium-sized businesses in particular, ERISA's protections are crucial for providing affordable and consistent benefits across their workforce.

Unfortunately, recent legislative efforts have sought to circumvent ERISA's protections by imposing state-level healthcare mandates on employers. These efforts risk significantly increasing healthcare costs for North Dakota employers and their employees. Allowing expensive state mandates to interfere with ERISA protections would create a patchwork of conflicting rules, making it harder for businesses to offer consistent, affordable health benefits and weakening North Dakota's ability to attract and retain businesses.

It is also important to note that during this session, efforts to pierce ERISA by extending state healthcare mandates to ERISA-regulated plans should receive little support from those who want to keep North Dakota economically competitive. Key proposals, such as HB 1584, if enacted, will lead to an explosion of healthcare costs for North Dakota's businesses. **Even in its amended form, the language of HB 1584 may apply any existing and future state anti-payor laws to health plans organized under federal ERISA law.** We hope the Legislature will not advance HB 1584 and recognize the crucial role these protections play in allowing businesses to offer consistent, affordable benefits to employees.

This session, preserving ERISA is a top priority for the North Dakota business community. Rising healthcare costs only further emphasize the need to maintain ERISA's uniform standards, which have helped businesses manage expenses and remain competitive in national and global markets. Indeed, businesses in North Dakota often rank controlling employee healthcare costs as a major concern. Additional state mandates would not only increase compliance costs but could also discourage businesses from expanding their operations in North Dakota, jeopardizing the economic growth that has helped North Dakota attract innovation and investment in recent years.

We respectfully ask that you stand with the business community to protect this landmark law and **VOTE NO on HB 1584**. By doing so, we can safeguard the long-term success of North Dakota businesses, support the health and well-being of our workforce, and ensure that North Dakota remains a leading destination for innovation, investment, and job creation.

Thank you for your attention to this critical issue. The North Dakota business community stands ready to collaborate on solutions that ensure a strong future for both businesses and workers

