

# Supreme Court Orders Administration to Pay Risk Corridors Payments

Alert

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Earlier this morning, the Supreme Court issued a decision in *Maine Community Health Options v. United States*, resolving the issue of the government's obligation to pay qualified health plan issuers under the "Risk Corridors" program. The result of the decision is that the federal government will have an obligation to pay a large amount to carriers that issued qualified health plans between 2014 and 2016.

The Risk Corridors program was one of three premium stabilization programs established under the Patient Protection and Affordable Care Act (ACA). The Risk Corridors program contemplated that for plan years 2014 through 2016, qualified health plan issuers with favorable loss experience would subsidize qualified health plan issuers with unfavorable loss experience. Ultimately, however, there were insufficient funds to pay the full amounts owed to the qualified health plan issuers with unfavorable loss experience. The court's decision means that the government's obligation to pay the carriers with unfavorable loss experience is not conditioned on the availability of funds from carriers with favorable loss experience.

While this decision is unquestionably good news for carriers and other stakeholders, such as creditors that have advanced funds to carriers in anticipation of payments of Risk Corridors funds, there is still some uncertainty around how the Trump administration will respond to the court's decision. In light of the upcoming election, it is possible that the administration could attempt to delay the payments.

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