



For Immediate Release

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Supreme Court Decision: Community Health Options is entitled to Risk Corridor Payments

Washington, DC., April 27, 2020. In an 8-1 decision handed down today by the US Supreme Court in *Maine Community Health Options v. United States*, the Court held that Congress did not void the Government's statutory obligation to reimburse health insurance companies for losses under the Affordable Care Act's Risk Corridors program.

In dispute was the payment of funds under the ACA's Risk Corridors program, as an incentive to encourage carriers to accept the risk of participating in the newly created health insurance exchanges. The law set forth two-way risk sharing during the first three years of the exchanges' operations: carriers who profited were to pay the Government; carriers who lost money were to be compensated by it.

Health Options participated in the Marketplace from the beginning and paid into the Risk Corridor program in 2014, the first year of its operation. When the company incurred losses during 2015 and 2016, the funds for payout were withheld, supposedly due to lack of appropriation. Crowell & Moring, LLP represented Health Options, and argued that the Government committed to the payment; that Congress did not repeal this obligation; that appropriation of funds was not required; and it had the right to sue for damages. The Court found in Health Options' favor. Health Option is owed \$59 million in Risk Corridor payments.

According to Kevin Lewis, President and CEO of Community Health Options, "The Supreme Court's decision is a vindication of the rule of law and should restore faith that a contract with the Government is not by itself a risky undertaking. This win is particularly meaningful for us as a non-profit health plan because it's a win for our membership of individuals, families and businesses."

About Community Health Options – *Community Health Options is the only Maine-based, non-profit, Member-led health plan providing comprehensive, Member-focused health insurance benefits for individuals, families, and businesses. For more information about Health Options, visit the website: HealthOptions.org.*