ED & WORKFORCE DEMOCRATS

FACT SHEET

House Committee on Education and Workforce
Ranking Member Robert C. "Bobby" Scott

The Consumer Health Claim Assistance Act

Introduced by Rep. Mark DeSaulnier (CA-10)

Background:
Improper claim denials impose serious health and financial hardships on individuals, often leading to delays in necessary care, deterioration of one's health, and high out-of-pocket costs. The claims denial crisis is worsened by the fact that the agency with the authority to conduct investigations, audit plans, and enjoin illegal acts or practices—the Department of Labor's (DOL) Employee Benefits Security Administration (EBSA)—is severely under-resourced.

The Problem:
EBSA's budget lags far behind the overall inflation rate and was flat funded for the fourth consecutive year in fiscal year 2026. At the same time, the agency's workforce has been decimated by the Trump Administration's "deferred resignation" program and early retirement offers, with staff count declining by over 20 percent. The shrinking budget and staff, with a responsibility of protecting approximately 134 million consumers covered by job-based health plans, make it virtually impossible to hold health plans and insurance companies accountable when they wrongfully deny workers' health benefits.

The Solution:
The *Consumer Health Claim Assistance Act* would directly address the need for additional consumer services and the budgetary crisis facing the Department of Labor. It establishes a dedicated Benefits Assistance Program that will directly assist consumers whose claims have been denied by health and welfare plans and provides a dedicated funding stream to support the program through an annual fee paid by certain plans.

Specifically, the bill:

- Establishes within the Department of Labor a Benefits Assistance Program (Program) that will improve access to benefits under ERISA-covered health and welfare plans. The Program will (among other things):
  - Establish a process for the receipt of complaints from consumers and health care providers relating to denied benefits;
  - Assist consumers in understanding their rights under the law and the terms of their plan; and
  - Directly assist consumers in filing appeals for denied benefits.
- Requires the Department of Labor to submit a report to Congress summarizing the activities of the Program, including recommendations for additional changes to strengthen the program and for modifications to the filing fee.
- Requires single-employer welfare benefit plans to pay a small filing fee each year when filing either an annual report (the Form 5500) or an annual notice with the Department of Labor. The fee will be scaled based on the size of the plan:
  - $250 for plans with fewer than 100 participants;
  - $500 for plans with 100 to 499 participants;
  - $1,000 for plans with 500 or more participants.
- Grants the Secretary of Labor the authority to promulgate regulations to increase the fee in proportion to the size of plans.