

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

AMERICAN ASSOCIATION OF
ANCILLARY BENEFITS, *et al.*,

Plaintiffs,

v.

ROBERT F. KENNEDY, JR., in his official
capacity as Secretary of the United States
Department of Health and Human Services, *et*
al.,

Defendants.

Case No. 4:24-cv-00783-SDJ

MOTION TO EXTEND STAY

This case has been stayed since February, “to allow new agency leadership sufficient time to evaluate the government’s position in this case and determine how best to proceed.” ECF No. 66. Defendants previously informed the Court that “they intend to revisit the rule challenged here in a new rulemaking to be conducted as soon as practicable.” ECF No. 70 at 1. The Court has now ordered Defendants to “provide further information regarding the substance and timeline of the proposed rulemaking,” including “an estimated timeline for the completion of their intended rulemaking and how they intend to proceed in this case moving forward.” ECF No. 74 at 3.

In compliance with that order, Defendants inform the Court that they expect to publish a notice of proposed rulemaking no later than the Summer of 2026, and to issue a final rule later that year. The proposed rulemaking will concern the regulatory definition of “short-term, limited-duration insurance” that is at issue in this case. Defendants note that they recently issued a public statement affirming their intent “to undertake notice-and-comment rulemaking to consider the

need for amendments to the regulatory definition of ‘short-term, limited-duration insurance.’”¹ In that statement, Defendants also announced that “[u]ntil future rulemaking is issued and applicable, [they] do not intend to prioritize enforcement actions for violations related to failing to meet the definition of ‘short-term, limited-duration insurance’ in the 2024 final rules” challenged here. *Id.* Moreover, the U.S. Department of Health and Human Services “encourages States to adopt a similar approach to enforcement.” *Id.*

In light of their recent statement regarding enforcement of the regulatory definition of “short-term, limited-duration insurance,” and their intent to revisit that definition in rulemaking in the near future, Defendants respectfully request that the case remained stayed pending the conclusion of the anticipated rulemaking. With the Court’s leave, Defendants will provide a status report at least every six months.

Plaintiffs oppose a further stay. In the event that a further stay is denied, Defendants respectfully request two weeks from the time of the Court’s order to file a reply in support of their pending cross-motion for summary judgment.

A proposed order is attached.

Respectfully submitted,

BRETT A. SHUMATE
Assistant Attorney General

MICHELLE R. BENNETT
Assistant Branch Director

/s/ James Bickford
JAMES BICKFORD
Trial Attorney (N.Y. Bar No. 5163498)

¹ Statement of U.S. Departments of Labor, Health and Human Services, and the Treasury regarding short-term, limited-duration insurance (Aug. 7, 2025), *available at* <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/affordable-care-act/for-employers-and-advisers/short-term-limited-duration-insurance/stldi-statement-08-07-2025>.

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Counsel for Defendants

Date: August 28, 2025

CERTIFICATE OF CONFERENCE

On August 27, 2025, I conferred by telephone with Dominick Lanzito, counsel for plaintiffs, regarding defendants' intention to seek a further stay of this case. Plaintiffs are opposed to a further stay.

/s/ James Bickford

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[PROPOSED] ORDER

Defendants' motion to extend the stay is hereby **GRANTED**, and all proceedings in this matter are **STAYED**.