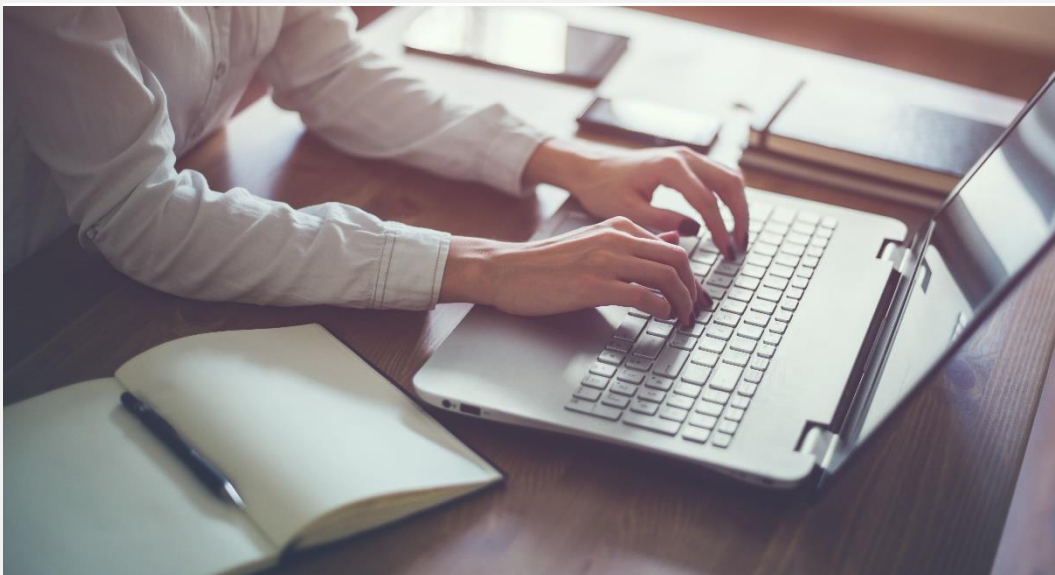




## Rewards Policy Insider 2025-11



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## Agencies Release Statement About Enforcement of Final Mental Health Parity Regulations Issued in 2024

The Departments of Health and Human Services, Labor, and Treasury (Agencies) on May 15, 2025 [announced](#) they are considering “rescinding or modifying” final mental health parity regulations issued last year (2024 Final Regulations). The joint statement also says the Agencies will not enforce key provisions of the 2024 Final Regulations while a lawsuit challenging the validity of the 2024 Final Regulations is pending. This non-enforcement period will continue until 18 months after that litigation is resolved.

### **Scope of Non-Enforcement Policy**

According to the joint statement, the enforcement relief “applies only with respect to those portions of the 2024 Final Rule that are new in relation to the 2013 final rule.” Prior to last year, 2013 was the last time the agencies issued regulations pursuant to the Mental Health Parity and Addiction Equity Act (MHPAEA). One of the primary issues the 2024 Final Rule addresses is the content requirement for the comparative analyses requirements relating to non-quantifiable treatment limitations (NQTLs), which were enacted as part of the Consolidated Appropriations Act, 2021 (CAA, 2021).

Significantly, the joint statement notes that the MHPAEA’s statutory requirements – including the comparative analyses requirements – are still in effect. Even if the Agencies “will not enforce the 2024 Final Rule or otherwise pursue enforcement actions, based on a failure to comply” with the affected provisions of the rule, the underlying statutory obligations remain in effect. Those statutory obligations include requirements for the Agencies to request at least 20 comparative analyses from group health plans each year, and to prepare and submit an annual report to Congress summarizing the comparative analyses requested and the Agencies’ conclusions about their sufficiency. The joint statement does not specifically address whether the Agencies will continue requesting comparative analyses during this non-enforcement period.

Additionally, state insurance regulators have a role in enforcing the MHPAEA against health insurance issuers in the group market. The joint statement urges states to adopt a similar approach to the Agencies’ non-enforcement policy, but it is possible that at least some states will choose to continue with their regular enforcement activities.

### **Also of Note**

The joint statement also provides that the Agencies will “undertake a broader reexamination of each department’s respective enforcement approach under MHPAEA, including those provisions amended by the CAA, 2021.” Thus, even if there are no changes to the 2024 Final Rule, the Agencies may end up changing how they enforce it going forward.

Clearly, this is a developing story. Watch Rewards Policy Insider for updates as they occur.

# District Court Rules ERISA Preempts Portions of Tennessee Pharmacy Benefit Manager (PBM) Law

A federal district court in Tennessee has ruled that certain provisions of that state's law regulating pharmacy benefit managers is preempted by ERISA. The district court followed the reasoning of the 10<sup>th</sup> Circuit Court of Appeals in a similar case involving Oklahoma's PBM law, which is currently on appeal to the U.S. Supreme Court.

## Case Background

In general, the portions of Tennessee's PBM law at issue in the case include:

- Prohibiting incentives or other inducements for participants to favor particular pharmacies within a pharmacy network;
- Prohibiting interfering with a participant's choice of pharmacies within a network; and
- Requiring PBMs to allow any willing pharmacy to participate in their networks.

The question before the district court was whether ERISA preempted these requirements to the extent they applied to self-insured ERISA plans. After reviewing the relevant case law, the district court decided that these provisions require plans to structure their pharmacy benefits in particular ways, which means they are subject to ERISA preemption.

In reaching its conclusion, the district court distinguished the Supreme Court's decision in *Rutledge v. PCMA*, 592 U.S. 80 (2020), which rejected an ERISA preemption challenge to a Vermont law that requires PBMs to reimburse pharmacies at least as much as they paid for a drug. To support its decision, the district court cited the 10<sup>th</sup> Circuit's decision in *PCMA v. Mulready*, 78 F.4<sup>th</sup> 1183 (10<sup>th</sup> Cir. 2023), which found ERISA preempted similar provisions in Oklahoma law.

## What Does it Mean?

As a general rule, district court decisions do not have any precedential value, which means other courts are not required to follow the district court's reasoning. Given that a state's ability to fully regulate PBMs is at stake, an appeal to the Sixth Circuit Court of Appeals seems likely.

But before the Sixth Circuit has a chance to weigh in, the Supreme Court may decide if it is going to hear Oklahoma's appeal of the Tenth Circuit's ruling in *Mulready*. Last October, the Supreme Court invited the U.S. Department of Justice to file a brief expressing its views on the case. To date, the Department of Justice's brief has not been filed.

Unless and until the Supreme Court addresses the issues raised by the district court, uncertainty about the extent of states' abilities to regulate PBMs in the context of ERISA plans will continue.

# IRS Announces Inflation-Adjusted HSA Limits for 2026

The IRS has issued inflation-adjusted contribution and other limits relating to health savings account (HSA) and high-deductible health plans (HDHPs) for 2026. The following chart summarizes the 2026 limits and compares them to those in effect for 2025.

	2025	2026
Annual Contribution Limit – Self	\$4,300	\$4,400
Annual Contribution Limit – Family	\$8,550	\$8,750
Age 55+ Catch Up Contribution	\$1,000	\$1,000
HDHP Minimum Deductible – Self	\$1,650	\$1,700
OOP Maximum – Self	\$8,300	\$8,500
HDHP Minimum Deductible – Family	\$3,300	\$3,400
OOP Maximum – Family	\$16,600	\$17,000

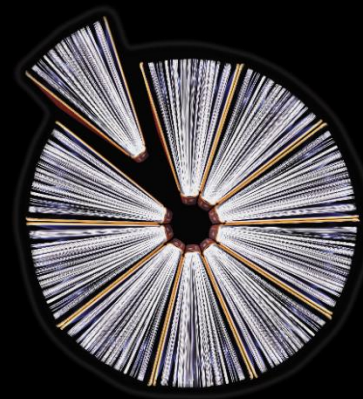
Additionally, [Rev. Proc. 2025-19](#) provides that, beginning in 2026, the amount that may be made newly available for a plan year in an excepted benefit HRA will be \$2,200, an increase from \$2,150 in 2025.

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