

LEGAL UPDATE



HIGHLIGHTS

- Federal agencies are reconsidering a final rule on mental health parity that was issued in 2024.
- Critics of the final rule have argued its requirements are “unworkable” and could cause employers to drop MH/SUD coverage entirely.
- The federal government has adopted a temporary nonenforcement policy for the 2024 final rule.
- Health plans should continue to comply with MHPAEA’s statutory requirements and refer to the prior final rule from 2013.

Trump Administration Will Not Enforce Final Rule on Mental Health Parity

On May 15, 2025, the U.S. Departments of Labor, Health and Human Services, and the Treasury (Departments) released a [statement](#) regarding nonenforcement of the [2024 final rule](#) under the Mental Health Parity and Addiction Equity Act (MHPAEA). The statement relates to a lawsuit brought by an employer trade group seeking to invalidate the final rule. The litigation has been put on hold while the Departments [reconsider](#) the final rule, including whether to modify or rescind it altogether.

According to the Departments’ statement, they will **not enforce the 2024 final rule** (or otherwise pursue enforcement actions) based on a failure to comply that occurs **prior to a final decision in the litigation, plus an additional 18 months**. The Departments are also reexamining their MHPAEA enforcement program more broadly.

2024 Final Rule

On Sept. 9, 2024, the Departments released a [final rule](#) to strengthen MHPAEA’s requirements. MHPAEA requires parity between a group health plan’s medical/surgical (M/S) benefits and mental health/substance use disorder (MH/SUD) benefits.

The final rule’s changes are extensive and primarily focus on nonquantitative treatment limitations (NQTLs). NQTLs include a variety of strategies that generally limit the scope or duration of benefits, such as prior authorization requirements. Among other changes, the final rule requires health plans and health insurance issuers to:

- Offer meaningful benefits (including a core treatment) for each covered MH condition or SUD in every classification in which M/S benefits (a core treatment) are offered;
- Not use factors and evidentiary standards to design NQTLs that discriminate against MH conditions and SUDs;
- Collect and evaluate relevant outcomes data and take reasonable action, as necessary, to address material differences in access to MH/SUD benefits as compared to M/S benefits; and
- Include specific elements in documented comparative analyses of NQTLs and make them available to the Departments, an applicable state authority or individuals upon request.

The final rule generally applies for plan years beginning on or after Jan. 1, 2025; however, certain key requirements, such as NQTL data evaluation requirements, apply for plan years beginning on or after Jan. 1, 2026.

Impact on Employers

Employer-sponsored health plans should continue to comply with MHPAEA’s statutory requirements and refer to the [2013 final rule](#) for guidance. Employers should also monitor updates regarding any modifications to the 2024 final rule.