

Publications

May 20, 2025 • Updates

Pressing Pause: Federal Agencies Halt Enforcement of Mental Health Parity Rule

On May 15, 2025, the Departments of Labor, Health and Human Services and the Treasury (the Departments) announced a non-enforcement policy regarding the final rule issued in September 2024 under the Mental Health Parity and Addiction Equity Act (MHPAEA) (the 2024 Final Rule).

This announcement comes after President Donald J. Trump issued Executive Order 14219 earlier this year, directing federal agencies to review regulations to identify those that are unconstitutional, otherwise not supported by statutory language, harm the national interest or place undue burdens on small businesses or private parties that are not outweighed by public benefits.

The enforcement pause also comes in the wake of a lawsuit filed by the ERISA Industry Committee (ERIC) in the United States District Court for the District of Columbia challenging the Nonquantitative Treatment Limitations (NQTL) requirements of the 2024 Final Rule on the grounds that they are arbitrary and capricious and contrary to law. In their announcement, the Departments requested that the ERIC litigation be stayed while they reconsider whether to rescind the 2024 Final Rule in its entirety in accordance with Executive Order 14219.

In the event the Departments choose not to rescind the 2024 Final Rule, the non-enforcement policy still provides a significant amount of runway before plan sponsors will be required to comply with the 2024 Final Rule as the Departments have stated that they will not enforce the 2024 Final Rule until a final decision in the ERIC litigation is issued and for an additional 18 months thereafter.

What Does This Mean for Plan Sponsors?

Importantly, this enforcement relief does not modify the provisions of the Consolidated Appropriations Act of 2021 (CAA of 2021) that the regulations were meant to implement, cease all enforcement activities related to the MHPAEA, or invalidate previous guidance issued by the Departments related to mental health parity. Rather, it only applies to those portions of the 2024 Final Rule that implemented the CAA of 2021 and were considered **new**, for example:

Related People

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Related Capabilities

- Employee Benefits & Executive Compensation
- Executive Orders

- Updated evidentiary standards and processes related to a plan's NQTLs, including the need to collect and evaluate outcomes data;
- New standards associated with a plan's NQTL Comparative Analysis, including: (i) content requirements of the NQTL comparative analysis itself; (ii) the fiduciary certification requirements;
- New definitions for key terms under MHPAEA; and
- The meaningful benefits requirement.

As a result, although this enforcement pause is extremely welcome and does provide substantial relief to plan sponsors and third party administrators attempting to implement the significant changes described above, plan sponsors must continue to comply with the mental health parity requirements set out in the MHPAEA, the 2013 final rule and related sub regulatory guidance as there is no indication that the Departments will cease general investigation and enforcement of MHPAEA. Plan sponsors should also consider if any action is required to comply with the NQTL Comparative Analysis provisions of the CAA of 2021.

For more information about a plan sponsor's current compliance obligations, please contact David Isaacson, Rachel Shim, Cory Thomas, Alexandra Green or a member of Polsinelli's Employee Benefits & Executive Compensation team.

If your business needs strategic legal guidance or anticipates potential impacts from an Executive Order, please reach out to the authors, Polsinelli's Executive Action Working Group or your regular Polsinelli contact.