EMPLOYEE BENEFITS
LEGISLATION & COMPLIANCE
Where Are We Headed?

PRESENTERS

Christina Villecco, Esq. VP, Corporate Counsel

Jennie Coyle, SVP Underwriting & Compliance

Coffee & Compliance with Christina & Jennie

HEFFERNAN INSURANCE BROKERS

Because You're Different

AGENDA

01. MENTAL HEALTH PARITY

02. OBBB

03. ACA MARKETPLACE

04. SCOTUS

05. FIDUCIARY ACTIVITY

06. QUESTIONS & ANSWERS

CONTENT DISCLAIMER

The information presented is general in nature and is intended to present an illustrate overview on employee benefits topics. The written and verbal contents of the presentation do not constitute legal or tax advice. No client relationship is established between the presenter and attendees.

HEFFERNAN INSURANCE BROKERS

Because You're Different

There has been a lot talk about Mental Health Parity- where does this stand?

Mental Health Parity and Addiction Equity Act (MHPAEA)

The MHPAEA has been around for nearly 3 decades, but is still facing uncertainty

1996 –Original MHP passed

2008-Updated to include substance abuse

2013- Departments pass Final implementing rules, including 6 benefit classifications

2021- Consolidated Appropriations Act (CAA) amends MHPAEA to require group health plans to document via comparative analysis any nonquantitative treatment limitations (NQTLs)

2024- Departments issue updated final implementing rules, adding further requirements to employer health plans

2025- Court issues a stay of the 2024 final rule, directing the Departments to rework the requirements

What's Really in the 'One Big Beautiful Bill' When it Comes to Employer Benefits?

Medicaid

Impact to employer plans

Telehealth and HSA

Permanent exception to HDHP deductible satisfaction

'Trump Accounts' for Children

$5,000 total annual tax-free contribution

$2,500 tax-free employer contribution

$1,000 government contribution for newborns

Dependent Care Accounts

$7,500 / $3,750

ACA Marketplace – What is Happening Here

Marketplace Integrity and Affordability Rule
Finalized in June 2025- Effective January 2026
Expires as of December 31, 2026

Includes:

- Annual eligibility redetermination
- Conducting pre-enrollment eligibility verification for special enrollment periods
- Individuals will be ineligible for an advanced premium tax credit (APTC) if they fail to file their federal income taxes
- Income verification for household income listed to be less than 100% of the federal poverty line

What are the Most Significant Supreme Court Holdings for Benefits this Year?

Kennedy et al v Braidwood

The Court upheld the Government's argument in defense of the Affordable Care Act (ACA) preventive care mandate, which requires services deemed 'preventive' to be covered by group and individual plans at zero cost to individuals.

Petitioners leaned into the Constitutional provision regulating the way 'officers of the United States' are appointed, arguing that members of the US preventive services task force were not properly appointed to their positions. Thus, without proper appointments, the preventive care mandates promulgated by this Task Force were invalid. Justice Kavanaugh delivered the majority opinion, upholding this vital element of the ACA.

What are the Most Significant Supreme Court Holdings for Benefits this Year?

US v Skrmetti

Tennessee law banned gender affirming care for minor. A group of parents and their minor children brought suit against the state, citing violation of Equal Protection Clause of the Constitution.

Court found no equal protection violation, applied the ordinary scrutiny which is differential to State law. The law was upheld.

What is the Latest in Fiduciary Activity?

PBM Litigation

Johnson & Johnson case dismissed on procedural grounds only

> the judge *did not* rule that J&J, as the plan fiduciary, breached (or didn't breach) its fiduciary obligations to the plan in the administration of its prescription drug program

Employer Plan Sponsors

- Identify plan fiduciaries and implement fiduciary training
- Consider creating a formal fiduciary committee for health and welfare benefits
- Review of PBM, TPA and other service provider contracts, including broker disclosure notices

DISCUSSION AND QUESTIONS

THANK YOU

Coffee & Compliance with Christina & Jennie

HEFFERNAN INSURANCE BROKERS

Because You're Different