BCBSTX Sued in Proposed Class Action for Alleged Violations of Mental Health Parity Rules

May 17, 2022

As we have discussed in prior blog posts here and here, noncompliance with the Mental Health Parity and Addition Equity Act (the "***MHPAEA***") continues to be a source of significant potential legal liability for employers that sponsor group health plans as well as for their third-party claims fiduciaries or health insurers.

As further evidence of that trend, a proposed class action lawsuit has recently been filed against Blue Cross and Blue Shield of Texas ("***BCBSTX***"), as a designated claims fiduciary or health insurer under the class members' employer-sponsored group health plans, for alleged violations of the MHPAEA. In particular, the class claims that BCBSTX imposed more restrictive standards on coverage of residential mental health care than the standards applied to coverage of care at skilled nursing facilities. Under the MHPAEA, employer-sponsored group health plans and health insurers that provide mental health or substance use disorder benefits are prohibited from imposing less favorable coverage limitations on those benefits than on medical/surgical benefits. The lawsuit was filed in the U.S. District Court for the Eastern District of Texas. In light of this lawsuit and other recent enforcement developments related to the mental health parity rules (see our additional blog posts here and here), group health plan sponsors are advised to ensure that their plans provide the necessary coverage for compliance with the MHPAEA and that their plan documents and SPDs accurately describe such coverage.

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