Weekly Digest

November 3, 2026



PBM Transparency Moves Forward: DOL Finalizes its Disclosure Rule

"Federal efforts to bring greater transparency to pharmacy benefit manager ("PBM") compensation are advancing. On October 29, 2026, the Department of Labor ("DOL") released its final PBM compensation disclosure rule for large, self-insured ERISA health plans ("Final Rule"). Together with the CAA's separate employer plan requirements, these developments should give plan sponsors substantially greater visibility into PBM economics." **Full Article**

Sheppard



DOL Identifies Three Priorities for Mental Health Parity Enforcement

"The Mental Health Parity and Addiction Equity Act (MHPAEA) generally prohibits group health plans and health insurance insurers from more restrictive limitations on mental health and substance use disorder benefits than on medical and surgical benefits. Some of these limitations include nonquantitative treatment limitations, or NQTLs, such as prior authorization requirements, medical necessity reviews and provider network standards." **Full Article**

Warner Norcross + Judd, LLP

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New Proposed IRS Regulations Expand Benefits Available to Highly Compensated Employees Under Dependent Care Assistance Plans

"DCAPs are plans that typically are structured to permit employees to make salary-reduction contributions, which are returned in the form of tax-free reimbursements or payments for qualifying dependent care expenses. In addition to annual statutory benefit limits, DCAPs must satisfy four nondiscrimination tests: (1) a contributions and benefits test, (2) an eligibility test, (3) a test limiting benefits for more-than-5 percent owners to 25 percent of a plan's annual benefits, and (4) a test which requires a plan's annual average benefits for non-highly compensated employees ("NHCEs") to be at least 55 percent of the average benefits of highly compensated employees ("HCEs")." **Full Article**

Blank Rome, LLP



Eleventh Circuit Holds that Administrative Exhaustion Is Not Required for ERISA Statutory Claims

"On October 13, 2026, in Bolton v. Inland Fresh Seafood Corporation of America, Inc., No. 24-10084, the U.S. Court of Appeals for the Eleventh Circuit overturned its longstanding practice of requiring benefit plan participants to exhaust administrative remedies before filing statutory claims under the Employee Retirement Income Security Act (ERISA). Administrative exhaustion requirements compel potential litigants to satisfy any plan-required internal appeals process with the plan sponsor or the plan administrator to resolve a dispute before a suit may be filed in court." **Full Article**

Littler Mendelson, PC

The $2,500 Question: What Employers Need to Know About Contributing to Trump Accounts

"Trump accounts are not just a matter for families; they also give employers a new tax-advantaged benefit to offer to employees. The OBBBA created 'Trump accounts,' or tax-advantaged savings accounts for children, and a companion tax break that lets employers contribute up to $2,500 per employee each year to the accounts of employees and their dependents." **Full Article**

Foley & Lardner, LLP



IRS Issues Guidance on Tax-Free Reimbursements of Wearable Devices

"On September 23, 2026, the IRS added a new frequently asked question ("FAQ") to its existing guidance that addresses when the cost of a wearable device (such as a band, watch, ring, patch, sensor, or similar device) may be paid or reimbursed on a tax-free basis by a health FSA, HSA, Archer MSA, or HRA. See the new FAQ 15 **here**. In summary, the determination will be based on a facts-and-circumstances test regarding whether the individual purchases and uses the device primarily to assist in the diagnosis, cure, mitigation, treatment, or prevention of a specific disease." **Full Article**

Miller, Johnson, Snell & Cummiskey, PLC

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