

Court Again Rejects ACA Section 1557 Discrimination Claim for Weight-Loss Drugs

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Holland v. Elevance Health, Inc., 2025 WL 1160477 (D. Me. 2025)

A federal trial court has dismissed another proposed class action lawsuit against an insurer/health plan administrator alleging discrimination under Affordable Care Act (ACA) Section 1557 for failure to cover weight-loss drugs. As in the previous case, the participant alleged that the insurer's plan violated Section 1557 (which prohibits discrimination in certain health programs and activities based on race, color, national origin, sex, age, or disability) by excluding coverage for medications prescribed for weight loss. She claimed that she and the other members of the class were qualified individuals with disabilities, and the plan exclusion amounted to disability discrimination. The insurer argued that the weight-loss exclusion applied to participants regardless of disability status since it applied equally to overweight persons, obese persons who are not disabled, and obese persons who may be disabled.

The court rejected the participant's allegation that every participant in the plan who had an obesity diagnosis coupled with a prescription for weight-loss drugs was disabled but accepted that she had alleged individual limitations that made her own allegation of disability plausible. However, the court explained that the participant was required to show that she was denied coverage "solely by reason of her disability." On its face, the plan exclusion did not turn on disability status, impacted participants whether or not they were disabled, and did not isolate disabled participants for discriminatory treatment. Furthermore, the participant did not show that the insurer ever regarded her (or all obese persons) to be disabled. The court, therefore, concluded that the participant's "bare conclusory" allegations did not support a plausible finding that the insurer's exclusion for weight-loss drugs amounted to intentional, proxy, disparate impact, or deliberate indifference discrimination.

EBIA Comment: While the reach of Section 1557 in disputes alleging disability discrimination continues to be sorted out in the courts, plan sponsors and their advisors may take some solace in this court's finding that the plan's exclusion of coverage for weight-loss drugs was not alone sufficient to state a plausible claim that the benefit denial was based solely on the presumed presence of a disability. For more information on the application of the ACA to weight-loss drugs. For more information on Section 1557, see EBIA's Health Care Reform manual at Section XXXIV.A ("Section 1557 Nondiscrimination: Grounds Prohibited Under Federal Laws") and EBIA's Group Health Plan Mandates manual at Section XXI.M.1 ("Interaction of Title VII and Affordable Care Act Section 1557"). See also EBIA's Self-Insured Health Plans manual at Section XIII.D.5 ("Section 1557 Nondiscrimination: Nondiscrimination in Health Programs and Activities").

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