

NMHPA Inapplicable to Newborn Child Absent Timely Plan Enrollment

EBIA Weekly (February 12, 2026)

Townley v. Aetna Life Ins. Co., 2025 WL 3771448 (S.D. Tex. 2025)

Available at

https://www.govinfo.gov/content/pkg/USCOURTS-txsd-4_24-cv-03513/pdf/USCOURTS-txsd-4_24-cv-03513-1.pdf

After a group health plan participant gave birth by cesarean section, her newborn required immediate medical care, incurring approximately \$7,000 in expenses. The participant submitted claims for reimbursement, but the insurer denied them, explaining that the newborn had not been enrolled within the plan's required enrollment window. After exhausting internal appeals, the participant sued the insurer under ERISA and the Newborns' and Mothers' Health Protection Act (NMHPA), arguing that her child was entitled to automatic coverage for the first 31 days after birth. The insurer asked the court to dismiss the case, asserting that it had interpreted the plan's enrollment provisions correctly and that NMHPA was inapplicable because the child was not a covered individual.

The court agreed with the insurer that neither the plan documents nor NMHPA supported the participant's claims. The plan clearly required enrollment of a newborn within 31 days of birth for coverage to be effective retroactively to the date of birth, and the participant provided no evidence that such enrollment had occurred. The court further rejected the participant's argument that NMHPA requires automatic coverage for newborns, explaining that the statute only prohibits plans from limiting the length of hospital stays for mothers and covered newborns below the statutory minimums (e.g., 96 hours following a cesarean section). It does not require coverage for individuals who are not otherwise covered under the plan. The court therefore dismissed the case, holding that the insurer's claim denial was neither arbitrary nor capricious.

EBIA Comment: This case emphasizes the importance of clear communications regarding dependent eligibility and enrollment procedures, as well as the limits of statutory mandates like NMHPA. Plan sponsors and advisors should ensure that plan documents and summary plan descriptions clearly communicate the need for prompt dependent enrollment after birth. For more information, see EBIA's Group Health Plan Mandates manual at Section XII.A ("What Is NMHPA and Who Must Comply?").

Contributing Editors: EBIA Staff.