

# First Circuit Rejects Another ACA Section 1557 Claim Challenging Weight-Loss Drug Exclusion

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[Holland v. Elevance Health, Inc., 2026 WL 850818 \(1st Cir. 2026\)](#)

A federal appeals court has affirmed the dismissal of another proposed class action disability discrimination claim for failure to cover weight-loss drugs. An employee who was diagnosed with obesity and prescribed FDA-approved weight-loss medications sued her health plan's insurance administrator after it denied coverage based on a plan exclusion for weight-loss medications. The participant alleged that the exclusion violated Affordable Care Act (ACA) Section 1557 by discriminating against her on the basis of disability. A federal trial court dismissed the lawsuit, concluding that the participant's allegations did not support a plausible finding that the plan's exclusion for weight-loss drugs amounted to intentional, proxy, disparate impact, or deliberate indifference discrimination.

On appeal, the First Circuit affirmed the trial court's dismissal, analyzing and rejecting each of the participant's discrimination theories. It found no viable claim for proxy discrimination, concluding the participant had not plausibly shown that the exclusion disproportionately affects people with disabilities. The court noted that the medications are also approved for overweight individuals who are not disabled, so the "fit" between the excluded service and the protected class was not sufficiently close. The court also rejected the claim of intentional discrimination, concluding the exclusion was facially neutral because it applied to all enrollees seeking weight-loss drugs, not just those with obesity. Furthermore, the court held the participant failed to plausibly allege the administrator knowingly and intentionally acted with deliberate indifference. Finally, the disparate impact claim failed because the participant did not adequately allege she was denied "meaningful access" to the plan's prescription drug benefit, as her complaint lacked sufficient facts about the scope of benefits guaranteed under the plan and the ACA.

**EBIA Comment:** This decision, along with another recent decision from the First Circuit, may offer some reassurance to plan sponsors that have similar plan exclusions, as it holds that a broad exclusion for weight-loss drugs does not, by itself, state a claim for disability discrimination under ACA Section 1557. However, the legal landscape is still evolving, and other courts could reach different conclusions. Plan sponsors should stay informed and continue to monitor legal developments as they unfold. For more information, 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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