Compliance and Fiduciary Risk in 2025 – Doing Nothing Is Not an Option

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As highlighted in our recent webinar, *Mental Health Parity 101: What Employers Need to Know*, tougher Mental Health Parity laws mean serious consequences for inaction: fines, lawsuits, and forced payouts. Compliance alone isn't enough. As a fiduciary, you're on the hook for your plan's performance—vendors won't shield you, and regulators won't wait. Act now.

What's at Stake

Neglecting compliance and fiduciary duty exposes employers to serious risks:

- **Regulatory Penalties**
  - Denied claims? You may have to pay them back retroactively.
  - IRS fines: $110 per day, per affected individual.
  - Get compliant or face penalties via IRS Form 8928.

- **Fiduciary Liability (ERISA)**
  - Personal lawsuits: Fiduciaries can be held personally liable for plan mismanagement.
  - Costly consequences: Poor oversight erodes plan value and leads to weaker benefits for employees.

What to Do Now

1. **Demand Full Transparency**
   - Require complete and timely data delivered from TPAs and PBMs.
   - Review networks and reimbursement models regularly.
2. **Make Smarter, Data-Driven Decisions**
   - Use analytics to track outcomes, costs, and utilization.
   - Find a qualified partner to assess mental health parity.
   - Act on mental health parity audit findings.

3. **Monitor in Real Time**
    - Spot risks early.
    - Proactive management and remediation is a good defense.

Lead or Be Led

Inaction says, "I'm okay with the risk of a disgruntled employee teaming up with a lawyer to sue me and my firm." Lawyers will prioritize employers without these plan oversight basics. Why not put yourself lower on the target list?

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