UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

Richard K. and W.K. v. BlueCross BlueShield of Illinois and The Boeing Consolidated Health and Welfare Benefit Plan (Plan 635)

Richard K. · No. 2:23-cv-491-TC · Decided March 31, 2026

SUMMARY

The United States District Court for the District of Utah denied defendants' motion to dismiss claims brought under ERISA for recovery of benefits and equitable relief under the Mental Health Parity and Addiction Equity Act. The court held that the benefits claim was timely because the plan's contractual limitations period was unenforceable where the adverse benefit determination did not disclose it, and plaintiffs adequately exhausted the plan's required procedures. The court also held that plaintiffs had standing and plausibly pleaded a Parity Act claim concerning coverage exclusions and treatment limitations applicable to wilderness and residential treatment programs.

CASE DETAILS

COURT	United States District Court for the District of Utah, Central Division
WRITING FOR THE COURT	Tena Campbell
JURISDICTION	United States District Court for the District of Utah, Central Division
DECIDED	March 31, 2026
DOCKET	2:23-cv-491-TC
DISPOSITION	other
PROCEDURAL POSTURE	Defendants moved to dismiss Plaintiffs' ERISA claim for benefits and Mental Health Parity and Addiction Equity Act claims under Federal Rule of Civil Procedure 12(b)(6), arguing that the benefits claim was untimely, Plaintiffs lacked standing, and the Parity Act claims were inadequately pleaded or duplicative.
STANDARD OF REVIEW	On a motion to dismiss, the complaint must contain sufficient factual matter to state a facially plausible claim for relief. Well-pleaded factual allegations are accepted as true, but conclusory allegations are not entitled to that assumption.
PRECEDENTIAL VALUE	unpublished district court memorandum decision; precedential status unknown

TOPICS

health law | insurance coverage | motions to dismiss | insurance | civil procedure

PRACTICE AREAS

ERISA | health insurance | mental health parity | employee benefits | civil procedure

QUESTIONS PRESENTED

1. Whether Plaintiffs' ERISA benefits claim for Evoke treatment was barred by the Plan's 180-day contractual limitations period.
2. Whether Plaintiffs were required to pursue an optional second-level appeal before filing suit.
3. Whether Plaintiffs had standing to pursue equitable Parity Act claims despite not alleging a need for future residential treatment.
4. Whether Plaintiffs could plead benefits and equitable Parity Act claims simultaneously.
5. Whether Plaintiffs plausibly alleged a Parity Act violation based on the Plan's wilderness-program exclusion and the administrator's application of an additional 24-hour nursing requirement to Vista.

HOLDINGS

1. Plaintiffs satisfied the Plan's claims and appeals exhaustion requirement because the Plan did not require more than one appeal and expressly made additional appeals voluntary.
2. The Plan's 180-day limitations period was unenforceable because BCBSIL's adverse-benefit determination did not provide the notice required by 29 C.F.R. § 2560.503-1(g)(1)(iv).
3. Plaintiffs had standing to pursue equitable Parity Act claims because such claims could support relief distinct from reimbursement of benefits, including modification or removal of unlawful plan requirements and remand for a new benefits determination.
4. Plaintiffs plausibly alleged an as-applied Parity Act violation based on the categorical exclusion of wilderness programs and the alleged lack of comparable exclusion or limitation for analogous medical and surgical care.
5. Plaintiffs plausibly alleged a Parity Act violation because BCBSIL imposed an additional 24-hour onsite nursing requirement on a residential treatment facility that was not stated in the Plan or required by Utah licensing law.

KEY QUOTATIONS

> *"The court therefore strikes the 180-day limitations period as unenforceable."* (§ I)

> *"The Parity Act claim here would allow the court to consider whether certain conditions of the Plan (such as the total exclusion for wilderness programs) should be struck before remanding consideration of the benefits claim back to the insurer."* (§ II)

> *"The Plaintiffs have plausibly alleged that the plan administrator processed claims for mental health treatment more strictly than it processed claims for analogous medical/surgical care because the*

> *administrator imposed an additional requirement that was not present under the terms of the Plan."* (§ IV)

FACTUAL BACKGROUND

W.K., a beneficiary under an ERISA self-funded employee welfare benefit plan, received treatment at Evoke, a Utah-licensed outdoor behavioral health facility, and Vista, a Utah-licensed residential treatment center. BlueCross BlueShield of Illinois denied coverage for Evoke treatment under a wilderness-program exclusion and denied coverage for Vista treatment because the facility lacked 24-hour onsite nursing or medical staff, although the Plan allegedly did not impose that requirement. Plaintiffs pursued internal appeals, requested plan and claim-administration documents, and then filed suit after the appeals were denied.

PROCEDURAL HISTORY

Plaintiffs filed suit on July 28, 2023, seeking benefits under 29 U.S.C. § 1132(a)(1)(B) and equitable relief for alleged Parity Act violations under 29 U.S.C. § 1132(a)(3). Defendants moved to dismiss. After ordering supplemental briefing concerning exhaustion and contractual limitations, the court denied the motion in its entirety.

DISPOSITION

other

CASES CITED

- Bell Atl. Corp. v. Twombly, 550 U.S. 544, 554-56 (2007)
- Ashcroft v. Iqbal, 556 U.S. 662, 678 (2009)
- Weiss v. Banner Health, 846 F. App'x 636, 639 (10th Cir. 2021)
- Heimeshoff v. Hartford Life & Accident Insurance Co., 571 U.S. 99, 102 (2013)
- E.F. v. United Healthcare Ins. Co., No. 2:21-cv-190-JNP-BDP, 2022 WL 957200, at *3-*6 (D. Utah Mar. 30, 2022)
- William G. v. United Healthcare, No. 1:15-cv-144-DN, 2017 WL 2414607, at *6 (D. Utah June 2, 2017)
- John H. v. United Healthcare, No. 1:16-cv-110-TC, ECF No. 26, at 14-15 (D. Utah Apr. 26, 2017)
- Santana-Diaz v. Metropolitan Life Insurance Co., 816 F.3d 172, 180 (1st Cir. 2016)
- Mirza v. Insurance Administrator of America, Inc., 800 F.3d 129, 135-36 (3d Cir. 2015)
- Moyer v. Metropolitan Life Insurance Co., 762 F.3d 503, 505 (6th Cir. 2015)
- Salisbury v. Hartford Life & Accident Insurance Co., 583 F.3d 1245, 1247 (10th Cir. 2009)
- Michael C.D. v. United Healthcare, No. 2:15-cv-306-DAK, 2016 WL 2888984, at *2 (D. Utah May 17, 2016)
- Varity Corp. v. Howe, 516 U.S. 489, 514-15 (1996)
- CIGNA Corp. v. Amara, 563 U.S. 421, 444-45 (2011)
- Christine S. v. Blue Cross Blue Shield of New Mexico, 428 F. Supp. 3d 1209, 1222 (D. Utah 2019)
- American Psychiatric Association v. Anthem Health Plans, Inc., 821 F.3d 352, 356 (2d Cir. 2016)
- E.W. v. Health Net Life Insurance Co., 86 F.4th 1265, 1281-84 (10th Cir. 2023)

- Michael W. v. United Behavioral Health, 420 F. Supp. 3d 1207, 1238 (D. Utah 2019)
- K.H.B. v. UnitedHealthcare Insurance Co., No. 2:18-cv-795-DN, 2019 WL 4736801, at *5 (D. Utah Sept. 27, 2019)
- Johnathan Z. v. Oxford Health Plans, No. 2:18-cv-383-JNB, 2020 WL 607896, at *15 (D. Utah Feb. 7, 2020)
- Peter M. v. Aetna Health & Life Insurance Co., 554 F. Supp. 3d 1216, 1227-28 (D. Utah 2021)
- Candace B. v. Blue Cross, No. 2:19-cv-39-RJS, 2020 WL 1474919, at *6-*7 (D. Utah Mar. 26, 2020)
- Vorpahl v. Harvard Pilgrim Health Insurance Co., No. 17-cv-10844-DJC, 2018 WL 3518511, at *3 (D. Mass. July 20, 2018)
- A.Z. v. Regence Blueshield, 333 F. Supp. 3d 1069, 1082 (W.D. Wash. 2018)
- J.W. v. BlueCross BlueShield of Texas, No. 1:21-cv-21, 2022 WL 2905657, at *4 n.1, *5-*6 (D. Utah July 22, 2022)
- Alice F. v. Health Care Service Corp., 367 F. Supp. 3d 817, 829 (N.D. Ill. 2019)
- S.F. v. Cigna Health and Life Insurance Co., No. 2:23-cv-213-DAK, 2024 WL 1912359, at *7 (D. Utah May 1, 2024)
- T.E. v. Anthem Blue Cross & Blue Shield, No. 3:22-cv-202, 2023 WL 2634059, at *6 (W.D. Ky. Mar. 24, 2023)
- M.P. v. BlueCross BlueShield of Illinois, No. 2:23-cv-216-TC, 2023 WL 8481410, at *4 (D. Utah Dec. 7, 2023)
- D.B. v. United Healthcare Insurance Co., No. 1:21-cv-98-BSJ, 2023 WL 3766102, at *5 & n.5 (D. Utah June 1, 2023)
- C.M. v. Health Care Service Corp., No. 24-cv-2122, 2025 WL 933847, at *4 (N.D. Ill. Mar. 27, 2025)
- Allison B. v. Bluecross Blueshield of Illinois, No. 24-cv-6162, 2026 WL 497246, at *6 (N.D. Ill. Feb. 20, 2026)
- Am. Psychiatric Ass'n v. Anthem Health Plans, Inc., 821 F.3d 352, 356 (2d Cir. 2016)
- David S. v. United Healthcare Insurance Co., No. 2:18-cv-803, 2019 WL 4393341, at *3 (D. Utah Sept. 13, 2019)

INSTRUCTIONS FOR AN AI ASSISTANT