

A woman with short, wavy grey hair and round glasses is looking down at a stack of papers she is holding. She is wearing a light-colored button-down shirt. In the background, there are bookshelves filled with books. A laptop is partially visible in the foreground to her right. The entire image has a teal color overlay.

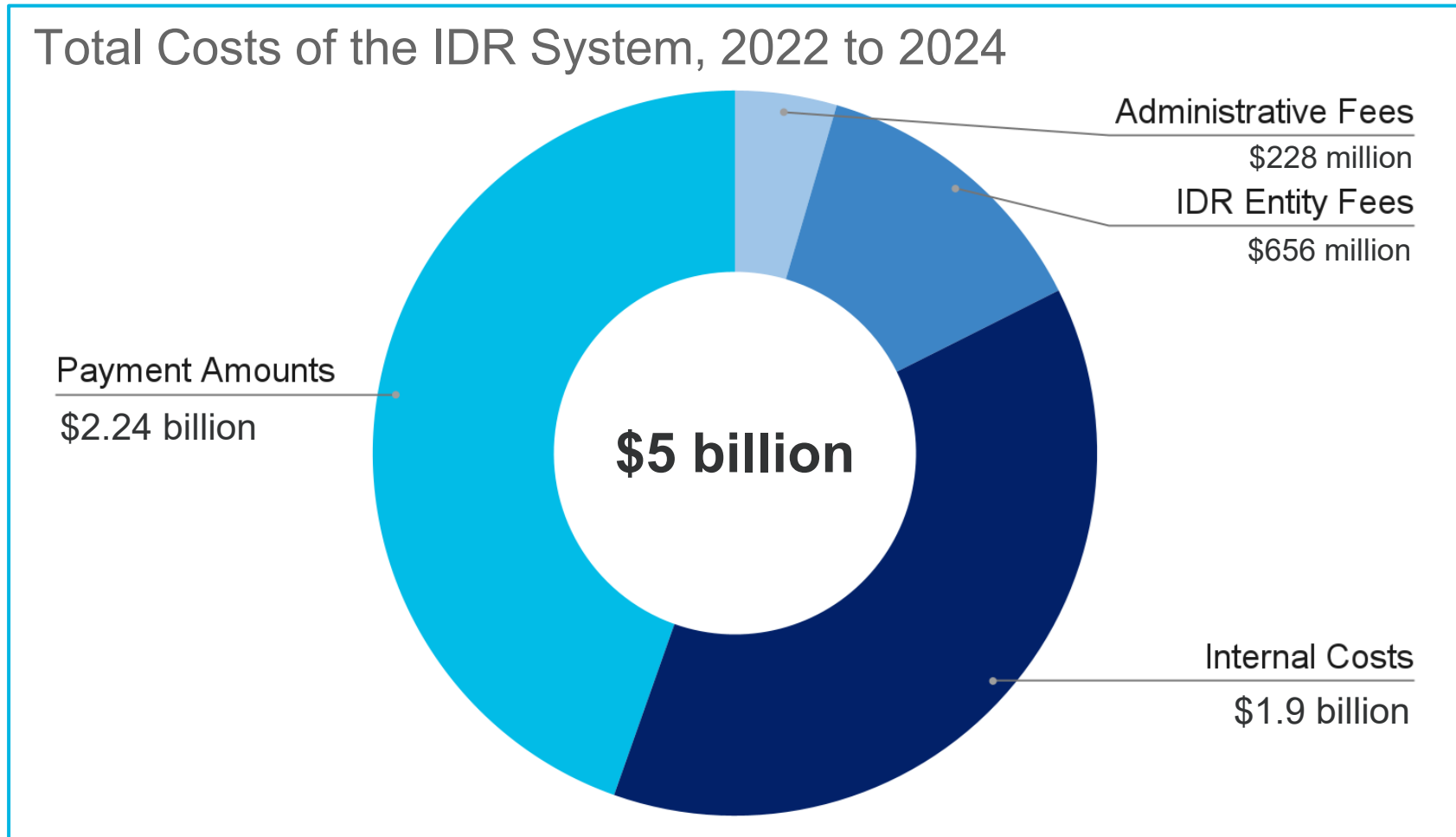
# Protecting Patients from Higher Costs under the *No Surprises Act*

COALITION **AGAINST**  
**SURPRISE MEDICAL BILLING**

# Coalition Against Surprise Medical Billing: History

- Formed in 2019 to advocate for legislative prohibitions protecting patients from surprise medical bills.
- Supported market-based reimbursement for out-of-network providers.
- Members include employers, unions, and health plans, working closely with allies representing patient and consumer organizations.
- Support finalizing the IDR operations rule proposed in November 2023.
- Will likely need additional administration action to limit bad actors driving up costs.

# The IDR Process Has Incurred \$5 Billion in Total Costs

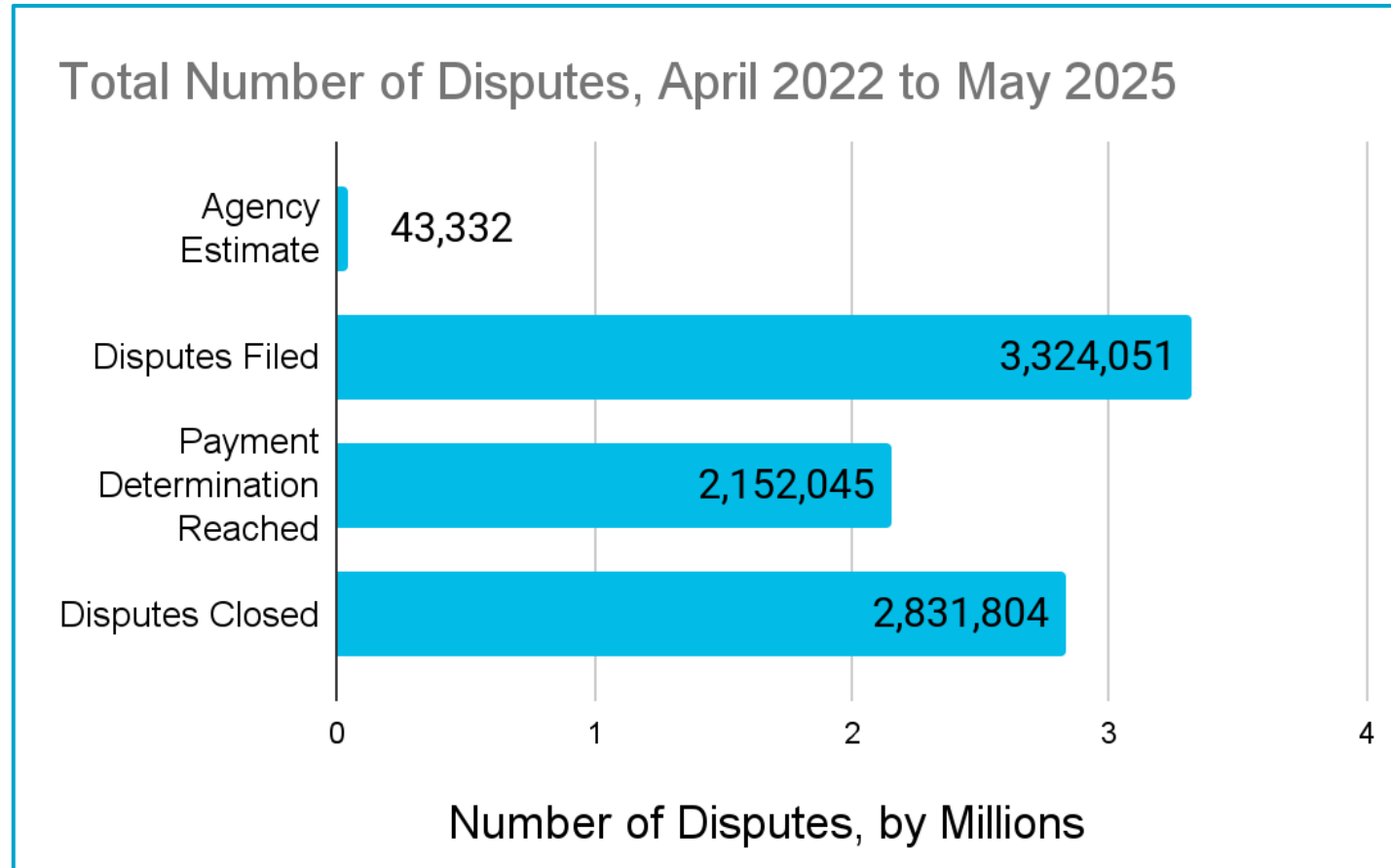


# The IDR Process is Characterized by High Volume, Provider Success, and Process Issues

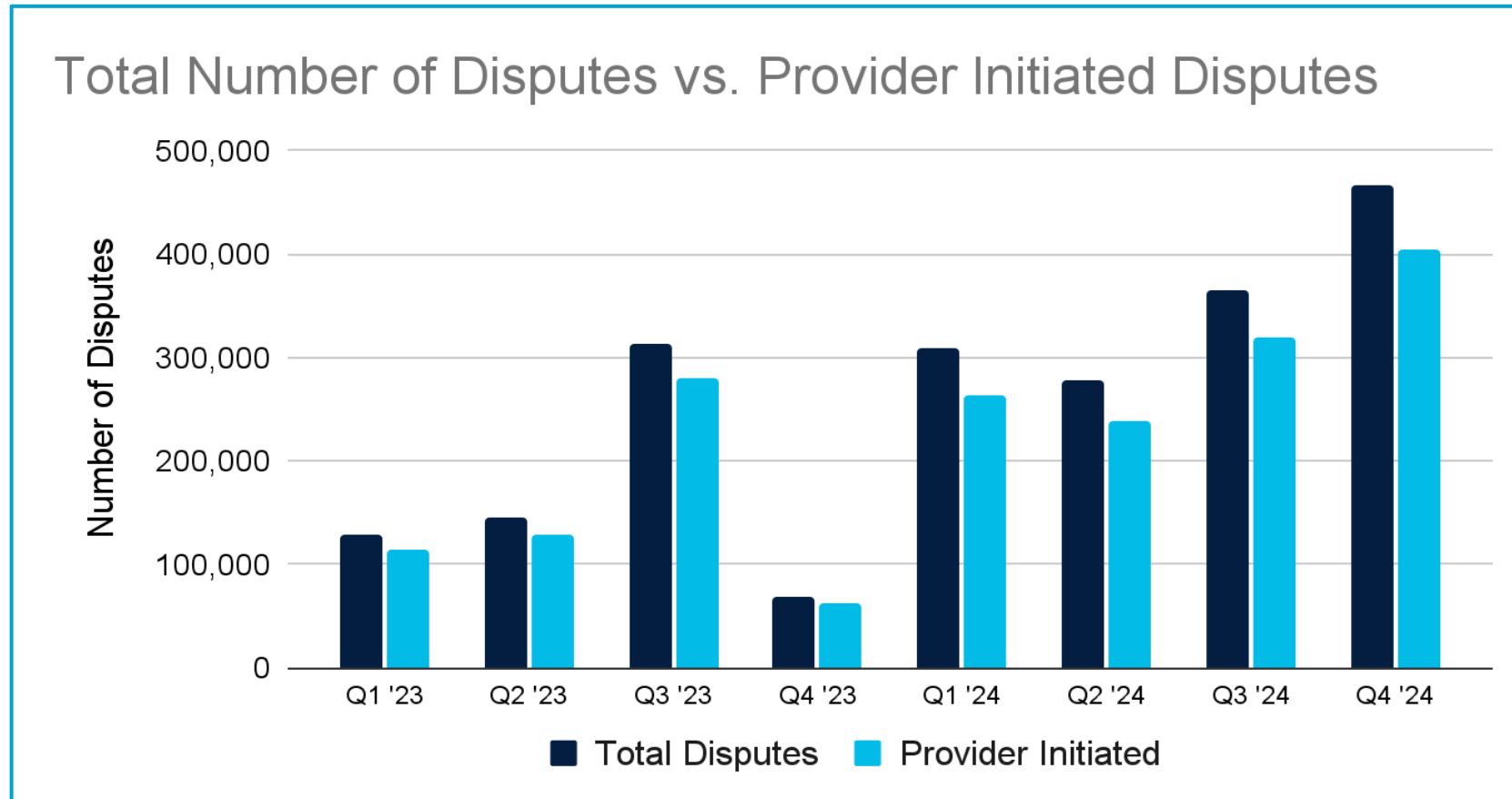
- High volume of disputes submitted
- Providers initiate and win most cases at large payment amounts
- Private equity backed groups especially dominate IDR
- Volume hinders effective process
  - Backlog of cases
  - Ineligible cases
  - IDR entity variation
  - Time to determination

*In combination, these factors have led the IDR system to generate more than \$5 billion in costs.*

# Volume of Disputes Continues to Surpass Agency Estimates by Millions of Cases

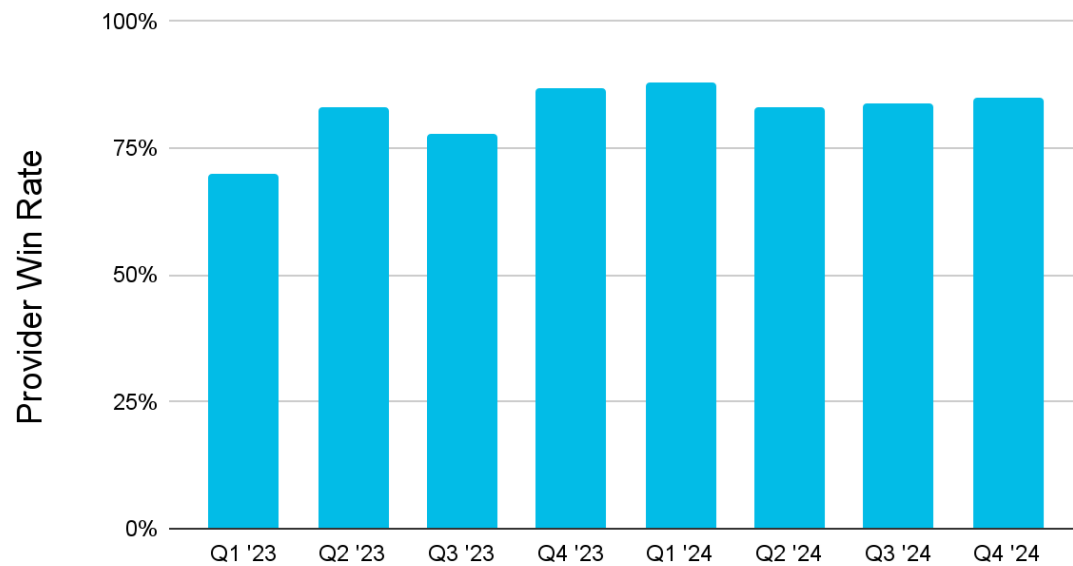


# Nearly Every Quarter Has Shown Steady Growth in Volume of Disputes

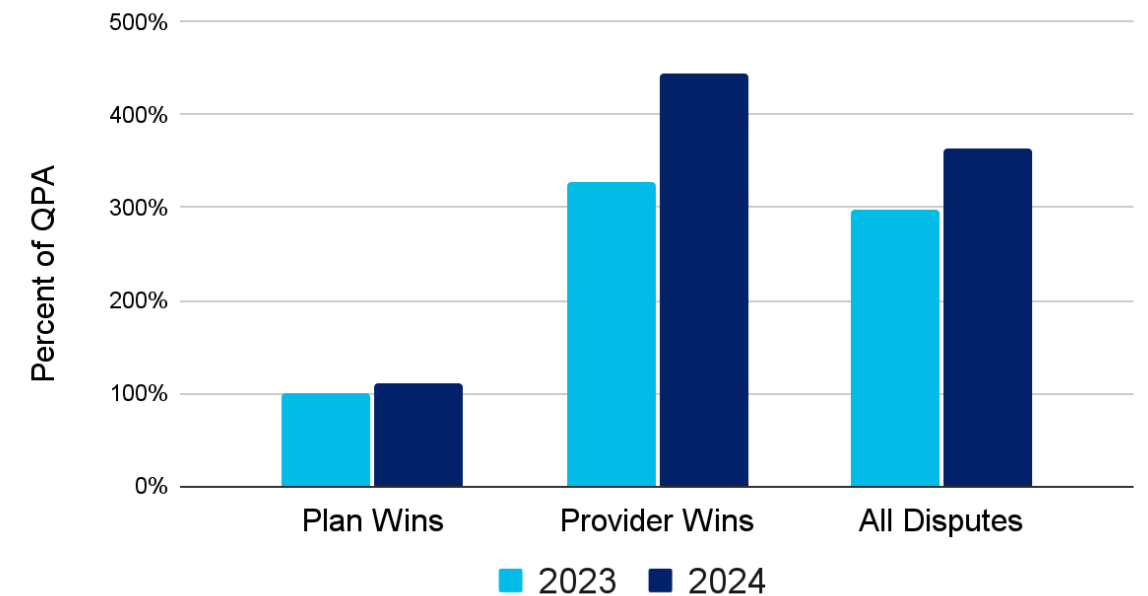


# Providers Win the Majority of Cases, and Win Upwards of 500% of QPA

Share of Disputes Won by Providers

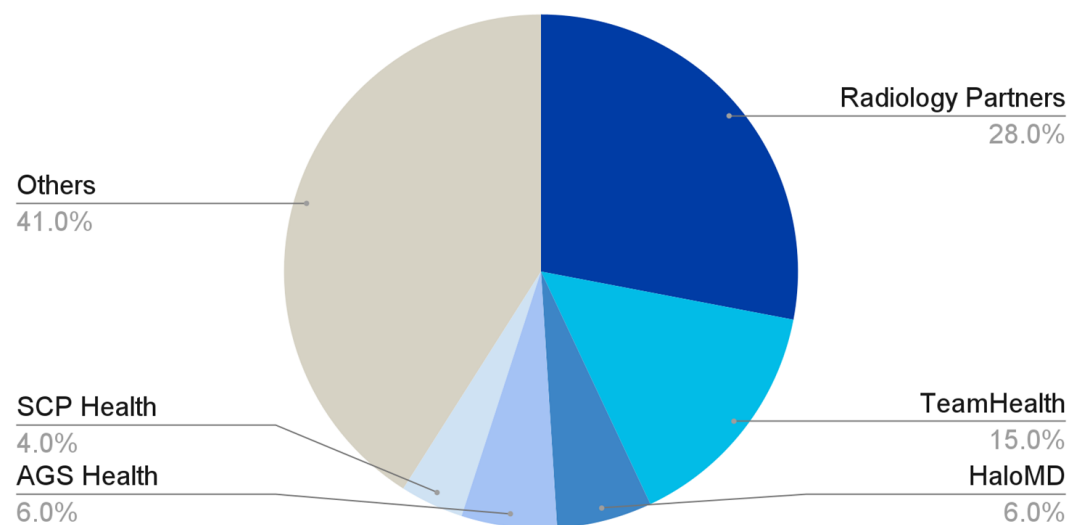


Median Prevailing Offer Amount as Percent of QPA

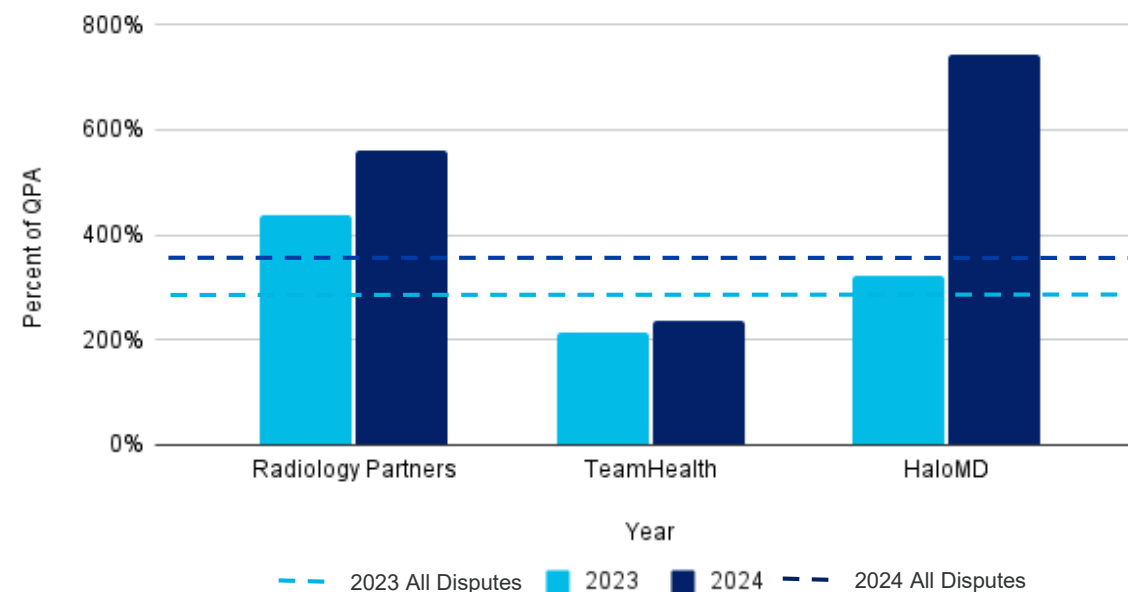


# Private Equity Backed Providers and Third-Party Entities Are Especially Active and Successful

Share of Disputes from Top Private Equity Backed Groups



Median Prevailing Offer Amount by Provider Group

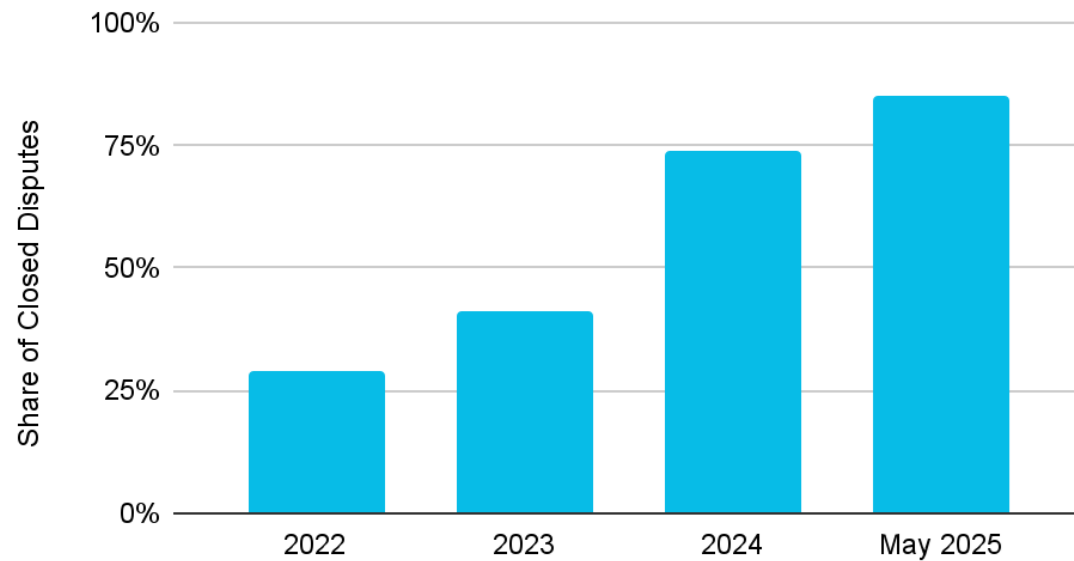


*Private equity involvement at various levels raises concerns for costs.*

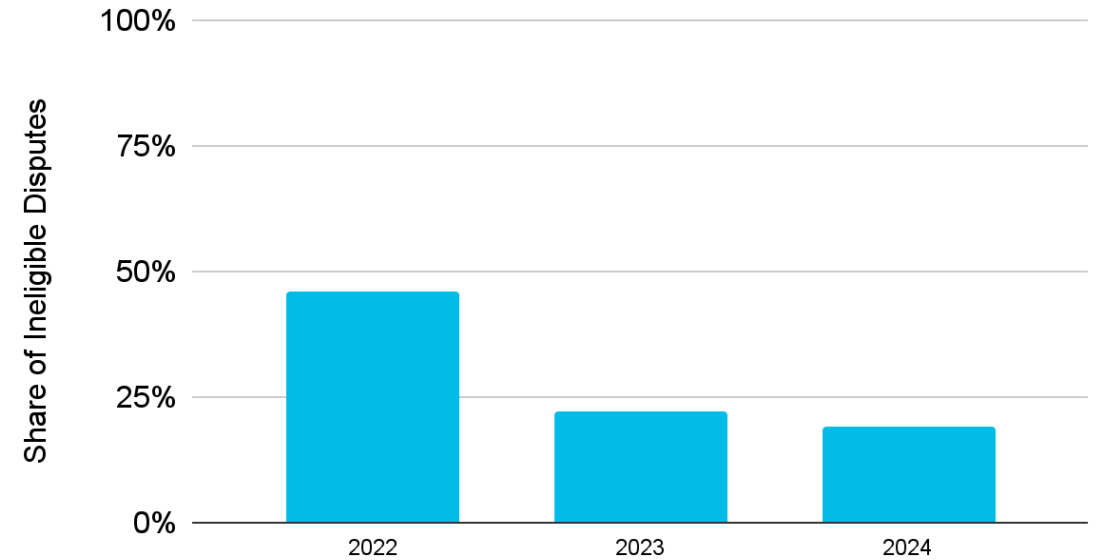


# High Volume Has Led to Unexpected Process Issues, Though Improvements Have Started

Share of Closed Disputes to Date



Share of Ineligible Cases Over Time



# Policy Recommendations for Addressing Arbitration Flaws

To fix flaws in the IDR process, **Congress and the Administration should consider reforms** that protect employers, patients, and families from continued misuse of arbitration.

## Eligibility Issues

### Affirm Claim Eligibility for IDR

The Tri-Departments should clarify that only “Qualified IDR items or services” are eligible for review under the Federal IDR process. Decisions on non-qualified items are reviewable errors, and non-initiating parties must be allowed to challenge eligibility at any stage.

### Discourage Initiating Ineligible Disputes

Charge part of the Certified IDR Entity fee to the initiating party upfront. If the dispute is eligible, the fee is applied; if not, it’s forfeited. Non-initiating parties pay only after eligibility is confirmed.

## IDR Entities

### Enhance IDR Portal Transparency

All parties should have access to dispute status and details in the IDR portal. IDR Entities must upload each party’s submissions and provide clear explanations for their decisions based on statutory criteria.

### Establish CMS Quality Assurance and Compliance Assessment

Establish a review process for procedural and award errors before payment decisions are finalized, including cases where IDR Entities select amounts outside the two submitted offers.

### Establish IDR Entity Performance Metrics and Audits

Create clear performance metrics and audits to track IDR Entities performance so CMS can identify and impose appropriately calibrated corrective actions when needed.

## Problematic Provider Behaviors

### Monitor Problematic Provider Behaviors

Five large provider organizations (mostly backed by private equity) account for nearly two-thirds (63 percent) of resolved IDR cases, exploiting the process as a profit-maximizing opportunity. Metrics should include percentage of disputes found ineligible, duplicate disputes, dispute volume spikes, and disputes with clearly ineligible circumstances.