February 24, 2026

The Honorable Secretary Scott Bessent
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington DC, 20220

The Honorable Secretary Lori Chavez-DeRemer
Department of Labor
200 Constitution Avenue NW
Washington, DC 20201

The Honorable Secretary Robert F. Kennedy, Jr.
Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Secretaries, Bessent, Chavez-DeRemer, and Kennedy,

As organizations representing employers, workers, patients, consumers, and brokers we write to express growing concern that the current operation of the Independent Dispute Resolution (IDR) process under the No Surprises Act (NSA) is undermining affordability and weakening protections for the millions of Americans who rely on job-based health insurance. The NSA was designed to prevent surprise medical bills and promote fair negotiation, but the IDR process is increasingly being used in ways that raise costs for patients, plan sponsors, health plans, and the broader health care system.

Recent analyses indicate that the IDR process has incurred at least $5 billion in wasteful spending, including administrative fees, processing costs, and payment amounts that far exceed market rates, between 2022 and 2024.[1] These costs have been driven in large part by the high volume of disputes and high provider use of IDR -primarily by four provider groups. In the first half of 2024, 74 percent of all cases originated from Team Health, SCP Health, Radiology Partners, and Envision, submitting rates on average 370 percent higher than Medicare pays for the same services.[2] These providers are overwhelming the IDR system with inappropriate claims—often for services not subject to IDR—or inflating billed charges to secure higher payouts. Providers also continue to prevail in a significant majority of determinations, often resulting in awards that substantially exceed the market-based qualifying payment amount (QPA). Multiple analyses of 2024 cases show median payment awards for provider-won disputes at more than four times the QPA.[3] Disturbingly, one can discern a pattern in which arbiters consistently side with these providers, disregarding the QPA and ignoring the broader impact on plan affordability.

[1] "The Substantial Costs Of The No Surprises Act Arbitration Process", Health Affairs Forefront, August 25, 2025. DOI: 10.1377/forefront.20250820.13433

[2] "A First Look at Outcomes under the No Surprises Act Arbitration Process", Brookings, March 27, 2024.

[3] Centers for Medicare & Medicaid Services. (2025, May 28). Independent Dispute Resolution Reports. Policies & resources: Reports and analysis. U.S. Department of Health & Human Services.

A core driver of these outcomes is the lack of clear, enforceable guidance requiring arbitrators to anchor decisions to market benchmarks. Current IDR operations allow arbitrators to depart from market benchmarks without meaningful explanation. When arbitrators do so, they should be required to clearly explain why, using the actual data submitted by both parties.

Transparency must extend beyond final outcomes to include access to payer and provider submissions and the rationale underlying each determination. Without this, neither regulators nor stakeholders can assess whether the law is being applied consistently or as Congress intended.

A lack of accountability for IDR entities themselves further compounds the problem. IDR entities face little consequence for issuing inconsistent, poorly reasoned, or statutorily misaligned decisions—even when patterns of extreme outcomes emerge. Entities with unusually high rates of rulings on clearly ineligible or out-of-scope cases should face corrective action, suspension, or loss of certification. Likewise, some IDR entities rule overwhelmingly—95 to 98 percent or more—in favor of providers across payers and fact patterns. These IDR entities should be subject to prompt review. Without meaningful oversight and accountability, the IDR process will continue to reward manipulation rather than fairness.

We are also concerned that the IDR process has expanded far beyond its intended scope. Planned and elective procedures at in-network facilities performed by in-network providers should be unequivocally excluded from the federal IDR process. These services at in-network facilities do not constitute surprise billing. Only when these procedures have providers added to the procedure or the patient cannot choose a specific provider, such as an anesthesiologist, which is out of the patient's control, should they be eligible for the IDR process. IDR must remain a narrow safety valve—not a routine tool for setting prices for foreseeable, shoppable care.

Employer, patient, and consumer organizations have undertaken significant work to promote responsible billing and reduce IDR misuse, such as:

- Reinforcing internal policies that align payment practices with the QPA and encourage predictable, market-based rates rather than inflated billed charges.

- Creating internal review teams to identify coding errors, prevent improper filings, and resolve disagreements before an IDR process commences.

- Implementing transparency and analytics tools to identify patterns of overbilling, excessive use of IDR, and provider-level outliers—supporting targeted contracting and provider accountability.

These private-sector initiatives demonstrate commitment to making the NSA work as intended, but cannot fully counterbalance systemic misuse without stronger federal guardrails.

The IDR process must serve as a backstop—not a pricing mechanism or profit-seeking tool. Without necessary actions, misuse of the system will continue to raise costs for patients and undermine the affordability and stability of employer-sponsored coverage.

We respectfully urge the Departments to act to restore the IDR process to its intended role by clarifying arbiter guidance, excluding elective procedures from IDR eligibility, increasing transparency into arbitrator decisions, and establishing meaningful oversight and accountability for IDR entities.

We stand ready to partner with the Departments to ensure the NSA fulfills its promise: protecting patients from surprise medical bills while supporting a fair, affordable, and transparent health care system.

Respectfully,

32BJ Health Fund
Advancing Free Market Healthcare - WI
AFL-CIO
AiArthritis
Alabama Employer Health Consortium
ALS Association
American Benefits Council
AnCan Foundation
Blood Cancer United (formerly The Leukemia & Lymphoma Society)
Blue Cross Blue Shield of Michigan
Blue Shield of California
Business Group on Health
CancerCare
Caregiver Action Network
CHRO Association
Culinary Health Fund
DFW Business Group on Health
Economic Alliance for Michigan
Elevance Health
Employer Coalition of Louisiana
Employers' Forum of Indiana
Florida Alliance for Healthcare Value
Floridians for Accountability in Health Care, Inc
Gateway Business Health Coalition & Missouri Health Value Collaborative
Healthcare Purchaser Alliance of Maine
Houston Business Coalition on Health
Hypertrophic Cardiomyopathy Association
Lehigh Valley Business Coalition on Healthcare (LVBCH)
Michigan Association of Health Plans
Miles for Migraine
National Alliance of Healthcare Purchaser Coalitions
National Association of Wholesaler-Distributors
National Coordinating Committee for Multiemployer Plans (NCCMP)
National Hispanic Health Foundation
National Patient Advocate Foundation
North Carolina Business Coalition on Health
Partnership for Employer Sponsored Coverage
Patients Rising
Peggy Lillis Foundation
Point32Health
Policy Center for Maternal Mental Health

Public Sector HealthCare Roundtable
Purchaser Business Group on Health
Rhode Island Business Group on Health
Self-Insurance Institute of America, Inc.
Silicon Valley Employers Forum
Sjogren's Foundation
Small Business Majority
Society of Professional Benefit Administrators
StopAfib.org/American Foundation for Women's Health
Texas Business Group on Health
The Coalition to Protect and Promote Association Health Plans
The Council of Insurance Agents & Brokers
The ERISA Industry Committee
The Heath Services Coalition
The Society for Patient Centered Orthopedics
Tourette Association of America
U.S. PIRG
United Brotherhood of Carpenters and Joiners of America
United Welfare Fund
Voices of Health Care Action
Warner Pacific