October 27, 2025

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

Secretary Lori Chavez-Deremer
Department of Labor
200 Constitution Avenue NW
Washington, DC 20201

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 employers responsible for providing quality, affordable health coverage to millions of Americans, we are deeply concerned with how the current implementation of the Independent Dispute Resolution (IDR) process under the *No Surprises Act*[1] is undermining the law's intent and hurting patients, the majority of whom receive their health care coverage through employer-sponsored insurance. Furthermore, employers are facing escalating costs and uncertainty due to the current IDR backlog and inconsistent arbitration outcomes.

Despite the law's clear goals of protecting patients from surprise billing and fostering fair payment negotiations, the IDR process has generated at least $5 billion in total costs in 2024,[2] inclusive of administrative fees, IDR entity fees, plan and provider internal costs, and payment amounts, according to a recent Health Affairs article. This astonishing number reflects a process that is being exploited by certain providers and driving up the costs of care for employers and their workers.

The Centers for Medicare and Medicaid Services (CMS) released data[3] earlier this year, which found the following:

- In the first half of 2024 alone, approximately 610,000 arbitration cases were filed, 47% of which came from just four private equity-backed organizations: Team Health, SCP Health, Radiology Partners and Envision.

- Arbitration decisions disproportionately favor providers, who prevail in more than 80% of cases, often securing payments that far exceed the median in-network rate (the qualifying payment amount).

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[1] The No Surprises Act was enacted as part of the Consolidated Appropriations Act, 2021, Pub. L. No. 116-260, Division BB, Title I, §§ 101–118 (codified at 42 U.S.C. §§ 300gg-111, 300gg-112, 300gg-113, and related provisions).
[2] "The Substantial Costs Of The No Surprises Act Arbitration Process", Health Affairs Forefront, August 25, 2025 . DOI: 10.1377/forefront.20250820.13433
[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.

- Providers are also overwhelming the system by submitting ineligible, incomplete or incorrect claims. Of the more than 450,000 arbitration disputes that were closed, nearly 20% were ruled ineligible.

The recent Health Affairs article supports these findings and provides a glimpse into the escalation of problem. Many provider groups are submitting inappropriate claims—often for services not subject to IDR—or inflating billed charges in an effort to secure higher payouts – accordingly, there are now five provider organizations responsible for 59 percent of line-item claims.[4] Disturbingly, one can discern a pattern in which arbiters consistently side with these providers, disregarding the qualifying payment amount (QPA) and ignoring the broader impact on plan affordability. In Q4 2024, for line-items where the provider prevailed, the median payment determination was 459 percent of QPA.[5] That means the provider requested, and won, a payment that was over four times the in-network amount.

This has serious consequences. Costs for employer-sponsored plans are rising unnecessarily, and American workers and their families ultimately bear these increases through higher premiums, deductibles, and cost-sharing. Moreover, the ongoing abuse of the IDR process by certain out-of-network providers undermines network integrity. It reduces the incentive for fair contracting, creating instability across the health care system. The IDR process should not be exploited as a default pricing mechanism. Guardrails must be implemented to prevent abuse and ensure it remains a last resort. We urge the Departments to adopt reforms that ensure timely, transparent, and predictable resolution of payment disputes to protect plan sponsors and their enrollees.

Specifically, we urge you to take immediate action to:

1. **Strengthen enforcement** to ensure only eligible claims are submitted to IDR;

2. **Increase transparency** in arbitration decisions and require clear rationale when awards deviate from the QPA; and

3. **Penalize abuse** of the process by providers who repeatedly submit ineligible claims.

We remain committed to working with you to ensure the *No Surprises Act* functions as intended—to protect patients, contain costs, and create a balanced, transparent system. Employers cannot continue to absorb the financial burden of a broken process that rewards gaming over fairness.

Respectfully,

American Benefits Council
Business Group on Health
CHRO Association
The ERISA Industry Committee
Purchaser Business Group on Health
National Alliance of Healthcare Purchaser Coalitions
Silicon Valley Employers Forum
Small Business Majority

[4] Ibid
[5] Ibid

Cc:

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