

May 14, 2026

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

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

Acting Secretary Keith E. Sonderling  
Department of Labor  
200 Constitution Avenue NW  
Washington, DC 20210

Dear Secretary Bessent, Secretary Kennedy, and Acting Secretary Sonderling,

The 48 organizations listed below representing patients, consumers, unions, and employers write to urge the Trump administration to investigate the independence, integrity, and potential conflicts of interest associated with certified entities administering the Independent Dispute Resolution (IDR) process under the *No Surprises Act*. In light of recent public reporting on certain alleged conflicts of interest with these entities, it is imperative that regulatory action be taken to restore the IDR process to its intended purpose.

The *No Surprises Act* was one of the most significant bipartisan consumer protection achievements in recent memory. Passed with overwhelming congressional support and signed by President Trump, the law was designed to protect patients from unexpected medical bills and lower health care costs for families, employers, and unions. The IDR process was established as a narrow, last-resort backstop for resolving payment disputes between health plans and out-of-network providers — not as a business model.

When federal regulators designed the IDR framework, they projected approximately 17,000 arbitration cases per year.<sup>1</sup> Instead, over 1.2 million cases were filed in the first half of 2025.<sup>2</sup> This is not organic dispute resolution. It is a coordinated, high-volume strategy being systematically exploited by a small number of bad actors at the direct expense of American employers, workers, and families.

The data tell an inflationary story: providers currently win approximately 88 percent of IDR arbitration cases with payments that are 300-900% of the median in-network amount.<sup>3</sup> When arbitration awards consistently and substantially exceed qualifying payment amounts, those costs are passed on to consumers through higher premiums, higher deductibles, and higher out-of-pocket expenses. Alarming, IDR has generated more than \$5 billion in excess costs between 2022 and 2024.<sup>4</sup>

Unfortunately, the IDR system is being weaponized by some private equity firms. In the first half of 2025, 55 percent of all IDR disputes were initiated by just four entities: Team Health, Radiology Partners, and SCP Health — all private equity-backed — and HaloMD, an AI-powered middleman created specifically to help providers extract maximum out-of-network reimbursements through high-volume arbitration.<sup>5</sup>

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<sup>1</sup> <https://www.federalregister.gov/documents/2021/10/07/2021-21441/requirements-related-to-surprise-billing-part-ii#footnote-187-p56056>

<sup>2</sup> <https://www.healthaffairs.org/content/forefront/no-surprises-act-idr-process-early-look-2025-data>

<sup>3</sup> Ibid.

<sup>4</sup> <https://www.healthaffairs.org/content/forefront/substantial-costs-no-surprises-act-arbitration-process>

<sup>5</sup> <https://www.healthaffairs.org/content/forefront/no-surprises-act-idr-process-early-look-2025-data>

These are many of the same firms that spent years deliberately remaining out-of-network to exploit patients and then pivoted to IDR when the *No Surprises Act* ended direct patient billing. Now, they are operationalizing arbitration at industrial scale.

IDR entities themselves also face structural conflicts of interest that raise questions about their independence. Certified IDR entities are paid per case and they are only paid when they issue payment determinations. They are not paid when they rule cases ineligible. Unfortunately, this structure directly incentivizes volume over impartiality. Between 2022 and 2024, IDR entities collectively earned \$885 million.<sup>6</sup> A recent *New York Times* article, “A \$440,000 Breast Reduction: How Doctors Cashed In on a Consumer Protection Law<sup>7</sup>,” reported that “the arbitrators are doing well too” and that “some argue that because the arbitrators are paid per case, they may have an incentive to render decisions that keep doctors coming back.”<sup>8</sup>

Critically, some private equity firms have now extended their reach to both sides of the arbitration table. According to research by the Private Equity Stakeholder Project, multiple certified IDR entities are private equity-backed, and at least one private equity firm holds investments in a provider that is an active IDR filer as well as in two certified IDR entities that arbitrate those same disputes.<sup>9</sup> This means the same investment firm backing the providers who file arbitration cases is also financially backing the arbitrators deciding those cases. This is not a theoretical conflict of interest — it is a documented one, and it should disqualify those entities from certification.

Fortunately, the Trump administration has the authority to act. We urge you to take the following steps without delay:

1. Investigate the independence of all currently certified IDR entities, with particular focus on private equity ownership structures, financial ties to high-volume provider filers, and participation in lobbying activities inconsistent with the neutral role the law requires.
2. Decertify IDR entities with conflicts of interest, including any entity with financial ties to providers who are active filers before that same entity.
3. Require IDR entities to publicly disclose ownership structures, compensation arrangements, and outcome data, and impose meaningful consequences for patterns of awards that diverge from qualifying payment amounts without adequate justification.
4. Implement upfront eligibility screening to prevent ineligible claims from entering the IDR portal and consuming system resources. Non-initiating parties have identified approximately 40 percent of all submitted disputes as ineligible under the law.<sup>10</sup> These cases should never reach an arbitrator.

The *No Surprises Act* promised American patients protection from predatory billing. That promise is being broken — not by the law, but by those exploiting its implementation for profit. The administration has both the authority and the obligation to act. We respectfully request you do so with urgency.

We welcome the opportunity to discuss these concerns further and stand ready to provide any additional information helpful to your review.

Respectfully submitted,

Advancing Free Market Healthcare  
AFL-CIO  
ALS Association  
American Benefits Council

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<sup>6</sup> <https://chir.georgetown.edu/the-substantial-costs-of-the-no-surprises-act-arbitration-process/>

<sup>7</sup> <https://www.nytimes.com/2026/04/22/us/politics/doctors-insurers-arbitration.html>

<sup>8</sup> <https://www.tse-fr.eu/sites/default/files/TSE/documents/sem2025/ecopub/chartock.pdf>

<sup>9</sup> <https://pestakeholder.org/news/profitting-on-all-sides-private-equity-and-the-no-surprises-act/>

<sup>10</sup> <https://chir.georgetown.edu/the-no-surprises-act-idr-process-an-early-look-at-2025-data/>

American Federation of State, County and Municipal Employees (AFSCME)  
AnCan Foundation  
Blood Cancer United  
CancerCare  
Caregiver Action Network  
Culinary Health Fund  
DFW Business Group on Health  
Employer Coalition of Louisiana  
Employers' Forum of Indiana  
Employers' Health Coalition of Idaho  
Families USA  
Florida Alliance for Healthcare Value  
Floridians for Accountability in Health Care, Inc  
Gateway Business Health Coalition  
Greater Philadelphia Business Coalition on Health  
Healthcare Purchaser Alliance of Maine  
Houston Business Coalition on Health  
International Union of Painters and Allied Trades  
Lehigh Valley Business Coalition on Healthcare (LVBCH)  
Michigan Health Purchasers Coalition  
Midwest Business Group on Health  
National Alliance of Healthcare Purchaser Coalitions  
National Coordinating Committee for Multiemployer Plans (NCCMP)  
National Hispanic Health Foundation  
National Patient Advocate Foundation  
North Carolina Business Coalition on Health  
Ohio Health Policy Alliance  
Patients Rising  
Peak Health Alliance  
Purchaser Business Group on Health  
Rhode Island Business Group on Health  
Self-Insurance Institute of America, Inc.  
Silicon Valley Employers Forum  
Society of Professional Benefit Administrators  
Texas Business Group on Health  
The Alliance  
The ERISA Industry Committee  
The Partnership for Employer-Sponsored Coverage  
The Public Sector HealthCare Roundtable  
U.S. PIRG  
UNITE HERE  
United Brotherhood of Carpenters  
Voices of Health Care Action  
Warner Pacific