No Surprises Act Premium & Cost Impact

Researchers estimate that the cost of arbitration – now exceeding $5 billion since its start in 2022 – is being passed down directly to employers, unions, and Americans in the form of higher premiums. As out-of-network providers continue to turn to IDR as a favorable, predictable option for generating reimbursement that now reaches 3x–9x in-network rates, IDR has compounded a healthcare affordability crisis that the Administration and Congress must address.

Recent examples of cost impact from IDR:

- **New York State Employee Health Plan:** "The Department of Civil Service has identified more than $200 million in additional Empire Plan claim payments stemming from this abuse which is a primary contributor to the nearly 10 percent increase in premium rates this year." (Part T, on PDF page 24)

- **United Service Workers Health Plan**: “Some health plans said they have increased premiums this year to cover the extra costs. The United Service Workers health plan, which covers 20,000 trades workers in the New York area, said it boosted premiums by an extra 1.75 percentage points to offset arbitration awards and fees.” (NYT, A $440,000 Breast Reduction: How Doctors Cashed In on a Consumer Protection Law)

- **Centene – Q4 2025 Earnings Call**: “We experienced two out-of-period items in the quarter, including a 2023 CMS reconciliation and costs related to No Surprises Act disputes. This prompted us to add an accrual for further NSA development related to 2025 dates of service, which ultimately pushed the segment HBR [health benefits ratio] up by roughly 100 basis points versus our original expectations… Those two items drove the net 1% higher than planned HBR in Q4…While the No Surprises Act was designed to protect consumers, it has increasingly become weaponized by market participants looking to extract profits from the system through the independent dispute resolutions or IDR process. We are vocal in advocating for NSA reform. And in the meantime, we'll be taking a more proactive litigious posture as necessary. As an example, earlier this week, we filed a multimillion-dollar lawsuit against the New York provider alleging fraudulent manipulation of in-network and out-of-network claims. We will continue to take aggressive action to protect the system from fraudulent and abusive exploitation of NSA loopholes.” (Transcript)

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Additional examples of the flagrant IDR abuse and misuse playing out across the health system:

1) **The $440,000 breast reduction** — A plastic surgeon who advertises the procedure for $15,000-$25,000 on his own website began manipulating the arbitration process — then billed $300,000 per surgeon. By filing separate claims for the primary and assistant surgeon before different arbitrators without disclosure, one operation yielded two awards of $220,000 each. That's $440,000 for one surgery.

2) **$333,000 for a blood flow scan** —A health plan offered the standard $2,660 payment for a diagnostic procedure to measure blood flow to the brain. A Philadelphia-area neurosurgery practice went to arbitration instead. An arbitrator awarded $333,000 — roughly 125 times the standard rate — with no cross-examination, no hearing, and no explanation required.

3) **The IUD billed at 600x normal rates** — Gynecologists placing intrauterine devices — a routine, low-cost office procedure that is scheduled in advance — have used arbitration to win fees 600 times higher than usual reimbursement rates.

4) **$2,800 for a runny nose** — Nutex Health, a private equity-backed provider, recently opened an emergency room and hospital in Idaho. As a lawsuit alleges, since retaining HaloMD, "Nutex funneled between sixty and seventy percent of its billable visits each month into NSA arbitrations. Nutex management reported win rates of more than eighty percent and attributed over seventy percent of Nutex's year-over-year revenue growth in 2024 (amounting to nearly $170 million) to recoveries obtained through IDR." In one telling example, as reported by The Idaho Statesman, the company filed "a claim for nasal congestion that was $2,872 to treat a runny nose…The median commercial rate is $376 for that service."

5) **HaloMD: $1 billion a year from arbitration** — HaloMD, an entity that didn't exist before the No Surprises Act, filed more arbitration cases than any other firm in the first half of 2025 and "boasts that it pulls in over $1 billion a year for itself and its clients," according to STAT News. The strategy: flood the system with ineligible claims, including for Medicare and Medicaid patients, and demand far more than providers originally charged. HaloMD's payouts run over nine times the standard in-network rate.

6) **Radiology Partners: 28% of all U.S. arbitration filings** — According to Georgetown University research, CMS data shows that private equity-backed Radiology Partners and its affiliates accounted for 28% of all line-item arbitration disputes in 2023-2024. Combined with second-place TeamHealth (15%) — also PE-backed — just two firms drove nearly half of the national caseload. The top five provider organizations collectively filed 59% of all disputes.

7) **Nearly 40% of 2024 disputes were ineligible, yet most were awarded anyway** — A 2025 AHIP/BCBSA survey found that nearly 40% of arbitration disputes initiated in 2024 should have been disqualified — covering Medicare/Medicaid patients, refiled previously settled claims, and in-network providers. Yet arbitrators issued payment determinations on most of them anyway. On average, 15% of final awards went to claims health plans had already flagged as ineligible.

8) **17,000 disputes projected. 4.5 million filed** — When Congress passed the No Surprises Act, regulators estimated roughly 17,000 arbitration disputes per year. From mid-2022 through 2025, more than 4.5 million were filed. In just the first half of 2025, providers filed more than 1.2 million cases and won around 88% of them. Arbitrators — paid between $425 and $1,150 per case — earned $885 million from 2022 to 2024.

9) **$5 billion and rising in excess costs — passed to families and employers** — Georgetown University researchers calculated that arbitration abuse generated $5 billion in wasteful healthcare spending from 2022 to 2024. Those costs don't evaporate — they reappear as higher premiums. One union health plan covering 20,000 trades workers in the New York area raised premiums by an extra 1.75 percentage points specifically to offset arbitration awards and fees. The ERISA Industry Committee stated plainly: 'private equity is using IDR to blow up healthcare costs for patients, often multiplying their profits by a factor of 10.'

10) **A 95% 'win rate'— at 594% of fair rates** — In the first half of 2025, Radiology Partners won 92–95% of its cases in the two quarters, securing median awards of 582% and 594% of the Qualifying Payment Amount (QPA) — the benchmark for fair market rates, according to Health Affairs. HaloMD secured median awards of 920% and 835% of QPA. Researchers concluded that total IDR-related costs had risen substantially further than the estimated $5 billion by year-end 2025. As one physician stated: "I am confused. In what universe is it normal for a dispute about a fee to be arbitrated so that one party ends up getting hundreds of times the amount that he or she asked for in the first place?"