Independent Dispute Resolution (IDR)

ERIC
THE ERISA INDUSTRY COMMITTEE

The No Surprises Act (NSA) was enacted in 2020 to protect patients from surprise medical bills and to reduce health care costs by encouraging in-network agreements between providers and carriers. While it has shielded patients from the immediate cost of surprise bills, implementation has fallen short of the equally important goal of affordability.

Instead, profit-driven use of the Independent Dispute Resolution (IDR) process by certain provider groups and middlemen is driving health care costs even higher, with employers, working families, and patients paying the price.

Emerging CMS data, academic research, and real-world experience confirm that IDR has become a major driver of cost inflation, administrative inefficiency, and payment manipulation. It is imperative to put a stop to self-enriching entities who are flooding the system with claims and abusing the system for monetary gain.

$5 Billion
in wasted spending

Providers submit rates
370% Higher
than Medicare for the same services

The result of this abuse? Higher costs for patients and employers, slower resolution of legitimate disputes, and a health care system undermined from within.

POLICY SOLUTIONS

Require review to identify coding errors, prevent improper filings, and scrutinize claims before launching an IDR process.

Encourage predictable, market-based rates.

Implement transparency and analytics tools to identify patterns of overbilling, excessive use of IDR, and provider-level outliers.

"The NSA protects patients, but the broken IDR process threatens that protection and costs patients. Congress must protect the legacy of the NSA, ensuring the system is balanced, and does not favor those who abuse the IDR process."

James Gelfand, President and CEO of ERIC

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Topline Problems

~40%

of arbitration disputes initiated in 2024 should have been disqualified, yet IDR entities still issued payment determinations for a majority of these.

~95%

IDR award win-rate for providers affiliated with HaloMD securing median awards of 835%-920% of market rates.

Case Studies

$440k

was billed for a procedure advertised as $15k-$25k. The surgeon filed separate claims for the primary and assistant surgeon before different arbitrators without disclosure, yielding 2 awards of $220,000 each.

$1 billion

was reported in earnings by HaloMD, filing more arbitration cases than any other firm in the first half of 2025. HaloMD, an entity that did not exist before the No Surprises Act, has payouts that run over nine times the standard in-network rate.

$2,872

was filed by Nutex Health, a private equity-backed provider, for a claim for nasal congestion - that's $2,872 to treat a runny nose. The median commercial rate is $376 for that service.

About Us

ERIC is a national nonprofit organization exclusively representing the largest employers in the United States in their capacity as sponsors of employee benefit plans for their nationwide workforces. With member companies that are leaders in every economic sector, ERIC is the voice of large employer plan sponsors on federal, state, and local public policies impacting their ability to sponsor benefit plans and to lawfully operate under ERISA's protection from a patchwork of different and conflicting state and local laws, in addition to federal law.