Five Things to Know About the *No Surprises Act*

Millions of Americans have received care in a hospital or emergency department since 2022 without receiving a costly surprise medical bill, thanks to the bipartisan *No Surprises Act*. The law continues to protect patients from surprise bills, but efforts to undermine the law are now increasing health care costs. Here are five things you need to know about the *No Surprises Act*:

1. **The *No Surprises Act* is working for patients – preventing more than 1 million surprise medical bills each month.**

   The *No Surprises Act* is effectively protecting patients and families from most unexpected and costly surprise medical bills, as highlighted in a letter to congressional leaders from members of the Coalition Against Surprise Medical Billing (CASMB). According to an analysis by AHIP and Blue Cross Blue Shield Association (BCBSA), the law is preventing more than 1 million claims from health care facilities, providers, and air ambulances each month from reaching patients as a surprise medical bill.

2. **Health plans are expanding provider networks since the law passed.**

   More affordable, in-network care was one of the key goals of the *No Surprises Act*. Health plans are keeping their end of the bargain by bringing more specialists in-network. In a recent analysis of national claims data focused on anesthesia, emergency medicine, pathology, and radiology – all of which were frequently associated with surprise bills preceding enactment of the *No Surprises Act* – FAIR Health found a relatively sharp increase in in-network percentages nationally and in all regions across all specialties.

   These latest findings build on the recent report from AHIP and the BCBSA which found that 67% of health insurance providers reported increases in their provider networks, with no health plans reporting decreases.

3. **This law was supposed to *reduce* health insurance premiums, but too many providers are now using the arbitration process to collect higher payments, at the expense of consumers who then pay more in premiums.**

Before the *No Surprises Act* took effect, federal agencies estimated that 17,000 claims would go through the arbitration process annually. However, 679,156 disputes were initiated in 2023. A small handful of providers are flooding the system with frivolous claims, and the overwhelming influx of cases has resulted in higher costs and too much red tape.

In a letter to the Senate Health, Education, Labor, and Pension (HELP) Committee, members of CASMB outlined several regulatory recommendations the administration could implement to improve the arbitration process and ensure the *No Surprises Act* succeeds in its mission to protect patients while lowering health care costs.

4. **Private equity-backed providers are the overwhelming users of arbitration.**

   Arbitration has become a go-to tool for private equity-backed providers to exploit the system, ultimately driving up reimbursements and costing patients, consumers, and taxpayers. According to Centers for Medicare & Medicaid Services' (CMS) data that was analyzed by researchers at the Brookings Institution, just four private equity-backed provider groups (TeamHealth, SCP Health, Envision, and Radiology Partners) accounted for 74% of IDR cases. Further, almost all of the radiology claims that were submitted came from one private equity-backed provider – Radiology Partners – a leading radiology practice in the U.S. acquired by Whistler Capital Partners.

   Private equity's business model within health care is at odds with the goals of the *No Surprises Act* and presents ongoing challenges to health care affordability, quality, and accessibility.

5. **Providers have gamed the arbitration process to win big sums of money nearly every time – at the expense of consumers, employers, and taxpayers.**

   Before the *No Surprises Act*, many hospital-based providers stayed out of network to collect reimbursements of 4x what Medicare pays, or even more. Today, they've successfully used the courts to give them rules that stack the deck in favor of providers, and now use the arbitration system to win an average of 4x the Medicare rate – even higher for services like imaging, which receive 5 to 6.6x the Medicare rate.

   An analysis of CMS' data by the Brookings Institution found providers are winning in arbitration 80% of the time – and that their payment was on average three times the typical in-network rate. It is clear that ongoing litigation from private equity firms and out-of-network providers is undermining the cost-savings measures included in the law.

For more information on the *No Surprises Act,* visit stopsurprisebillingnow.com.