

COALITION AGAINST
SURPRISE MEDICAL BILLING

August 8, 2025

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

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

Director Peter Nelson
Center for Consumer Information &
Insurance Oversight
7500 Security Boulevard
Baltimore, MD 21244

Secretary Kennedy, Secretary Bessent, Secretary Chavez-Deremer and Director Nelson:

On behalf of the Coalition Against Surprise Medical Billing (CASMB)—a coalition of leading employer groups, unions and health insurance providers—we are writing to express our strong opposition to the petition submitted by Guidehouse, Inc. to become a Certified Independent Dispute Resolution (IDR) Entity under the terms of the *No Surprises Act*. Guidehouse's ownership by Bain Capital—a private equity firm with extensive financial interests in the health care sector—raises material concerns about conflicts of interest and the integrity of the IDR process.

Guidehouse, acquired by Bain Capital in December 2023, is a consultancy whose business model centers on maximizing revenue for health care providers and facilities.¹ Bain Capital itself has deep investments across the health care industry, including in provider groups and service companies that stand to benefit from favorable IDR outcomes. Allowing a Bain-owned entity to arbitrate disputes over out-of-network payment rates would be tantamount to having the fox guard the hen house and would fundamentally undermine the neutrality and independence required of IDR Entities.

Private equity firms have a long, well-documented and troubling history of exploiting surprise medical billing. For years, they have leveraged complex financial arrangements in health care—taking ownership stakes in hospitals, outpatient clinics and specialty practices—to maximize revenue and extract value at the expense of patients and the broader health system. Their business model has frequently resulted in inflated charges, upcoding, unnecessary procedures and a focus on revenue maximization rather than quality care. Such practices contributed significantly to the legislative action that led to the *No Surprises Act*, aimed at protecting patients from unexpected out-of-network bills.

The *No Surprises Act* was enacted to protect patients from the abusive billing practices that private equity-backed companies helped proliferate. Firms like TeamHealth (owned by Blackstone), Envision Healthcare (owned by KKR) and SCP Health (owned by Onex) were central

¹ <https://guidehouse.com/news/corporate-news/2023/guidehouse-completes-transaction-with-bain-capital>

to the surprise billing crisis, using out-of-network status to extract exorbitant payments from insurers, employers, unions and patients.² By 2024, the top three firms initiating disputes—**collectively responsible for 43% of all disputes**—were Radiology Partners, HaloMD and Team Health. Radiology Partners and Team Health are owned largely or entirely by private equity firms, and HaloMD is a defendant in multiple civil actions in federal court alleging RICO violations.³ A report from the Congressional Research Service summarized the capture of the Federal IDR Process by private equity, noting that “[p]roviders with evidence of private equity affiliation were particularly heavy utilizers of the IDR process; those providers initiated over two-thirds of the disputes involving OON emergency/nonemergency services in each quarter and over 60% of the disputes involving OON air ambulance services in each quarter.”⁴

Once Congress and President Trump shut down the lucrative business model of surprise billing patients, private equity pounced at the opportunity to extract similarly high rates through IDR and now one of the world’s largest private equity firms seeks to also be able to arbitrate the disputes. Not satisfied with exploiting loopholes in the system to nearly guarantee winning, private equity now seeks to outright rig the game.

Guidehouse, Inc. should not be certified as an IDR Entity due to conflicts of interest arising from its own client roster and ownership by Bain Capital. The *No Surprises Act* and its implementing regulations strictly prohibit IDR Entities from having a material familial, financial or professional relationship with any party involved in a payment dispute.⁵ This extends to the entity itself, its personnel, contractors and subcontractors. The purpose is to ensure that IDR Entities act as neutral arbitrators between health care providers and health plans. A conflict of interest exists if a certified IDR Entity is:

- A party to the payment determination in the dispute.
- An affiliate or subsidiary of a party to the dispute.
- An affiliate or subsidiary of a professional or trade association representing a party to the dispute.
- Any entity that has, or has personnel or subcontractors with, a material familial, financial or professional relationship with a party to the payment determination, or with any officer, director or management employee of the plan or provider.⁶

Bain Capital’s financial interests are far-reaching and, as a private company, not entirely transparent. Bain invests in and owns a wide range of companies, including those in the health care sector. These investments can include hospitals, provider groups, treatment facilities and revenue cycle management companies—all entities that could be parties to an IDR dispute. As Bain frequently acquires or invests in new entities and industries, there is substantial risk they

² <https://pestakeholder.org/news/no-surprises-here-pe-at-center-of-surprise-billing-controversy/>

³ <https://www.ajronline.org/doi/10.2214/AJR.25.32738>; <https://www.teamhealth.com/news-and-resources/press-release/teamhealth-to-be-acquired-by-blackstone/?r=1>

⁴ <https://www.congress.gov/crs-product/R48359>

⁵ 26 U.S.C. § 9816(c)(4)(F)(II)

⁶ See “Federal Independent Dispute Resolution (IDR) Process: Selection of Certified IDR Entity Data Elements.” OMB Control Number 1210-0169. <https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/laws/no-surprises-act/federal-independent-dispute-resolution-process.pdf>

could be motivated to see certain stakeholders profit through prevailing in the IDR process; for example, Bain previously owned Air Medical Group, an air ambulance provider now part of Global Medical Response, which itself is owned by KKR and is a frequent initiating party in the IDR process.⁷ If Guidehouse, owned by Bain Capital, were to serve as an IDR Entity, it would be difficult to guarantee that a decision would not be influenced by Bain Capital's broader financial interests.

Even if there is no direct conflict in a specific dispute, the very appearance of a conflict of interest is enough to undermine public trust in the Federal IDR Process—one that is already being extorted. The fact that a single private equity firm could own both the arbitrator (Guidehouse) and one of the disputing parties (a separate health care company in its portfolio) creates a perception of bias that is fundamentally at odds with the intent of the *No Surprises Act*. The law requires a high degree of impartiality and public trust in the dispute resolution process, and the Bain Capital-Guidehouse relationship would compromise this.

Allowing a conflicted, private equity-backed entity like Guidehouse to be certified in the role of a neutral arbiter in these disputes, deciding what is an appropriate out-of-network rate for health care, is incompatible with the intent of the *No Surprises Act* and could lead to skewed decisions favoring financially motivated interests rather than patient protections. It is vital that CMS maintains a rigorous standard for IDR Entities, prioritizing independence, transparency and fairness—values that are compromised by putting that power in a private equity giant and its subsidiary that primarily serves hospitals, outpatient clinics and provider groups.

For these reasons, we strongly urge that CMS reject Guidehouse's petition to be a Certified IDR Entity. Protecting the integrity of the Federal IDR Process is essential to safeguarding patients and ensuring that the law fulfills its purpose to eliminate surprise billing while lowering health care costs.

Sincerely,
The Coalition Against Surprise Medical Billing

⁷ [https://www.nasdaq.com/articles/kkr-to-buy-air-medical-in-a-\\$2b-deal-from-bain-capital-analyst-blog-2015-03-12](https://www.nasdaq.com/articles/kkr-to-buy-air-medical-in-a-$2b-deal-from-bain-capital-analyst-blog-2015-03-12)