COALITION AGAINST
SURPRISE MEDICAL BILLING

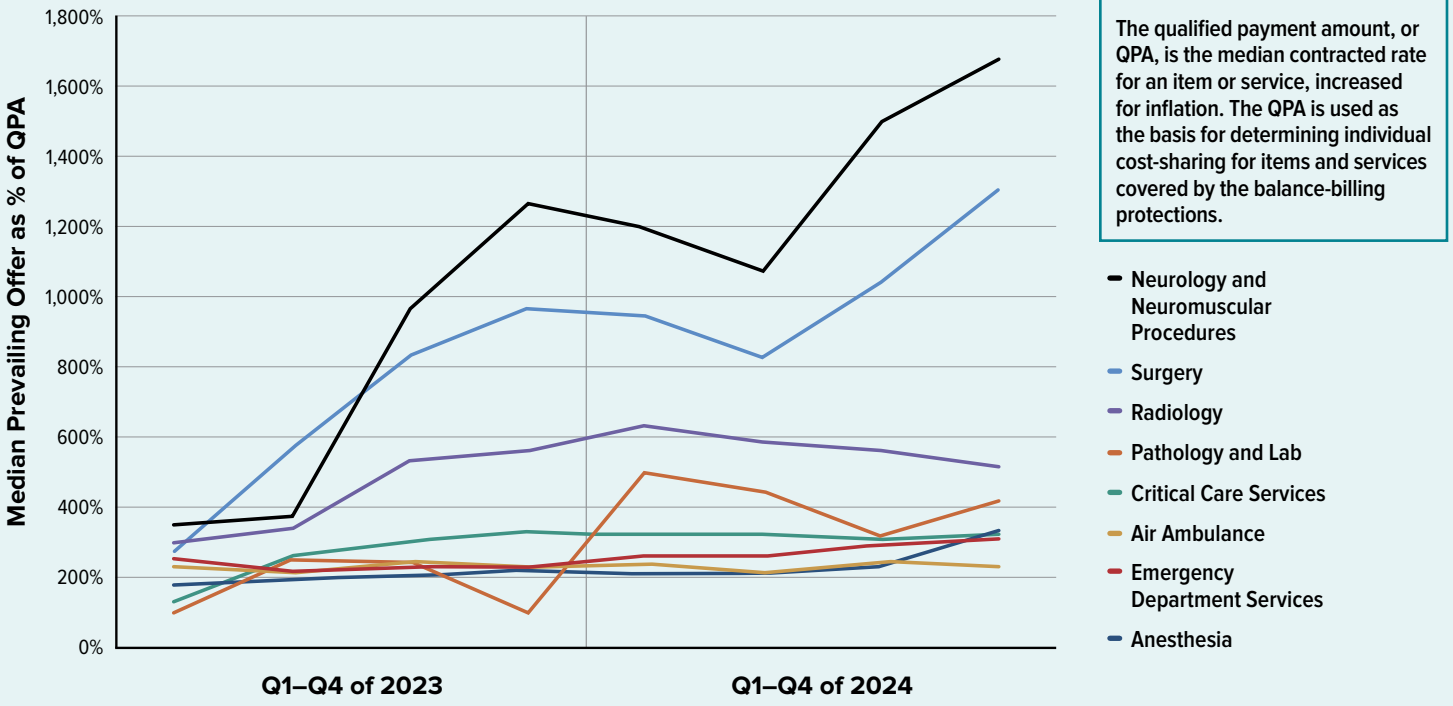
IDR's $5 Billion Price Tag Compounds Affordability Crisis Facing Consumers

Private equity, IDR middlemen are bringing back surprise billing by gaming the Independent Dispute Resolution (IDR) process and undermining the *No Surprises Act*

Certain private equity-backed providers and "IDR middlemen" are contributing to a health care affordability crisis for employers, unions and employees. These companies – many of which contributed to the surprise billing crisis in the first place – have turned the *No Surprises Act* into a profit-generating business model through ongoing abuse and misuse of the federal arbitration process, also known as Independent Dispute Resolution (IDR).

IDR was intended to be a "last-resort" for resolving out-of-network disputes between providers and health plans. Instead, it has become a "go-to" for private equity-backed providers that have overwhelmed the IDR system with disputes – including ineligible disputes – and receive payments that are sometimes 13x or higher than negotiated in-network rates. **The result is more than $5 billion in wasteful spending — all paid for by employers, unions, employees and the broader health system.**[1]

Median Prevailing Offer of IDR Payment Determinations as a Percentage of QPA, by Specialty (2023–2024, Congressional Research Service)[2]



What is QPA?

The qualified payment amount, or QPA, is the median contracted rate for an item or service, increased for inflation. The QPA is used as the basis for determining individual cost-sharing for items and services covered by the balance-billing protections.

RAMPANT ABUSE & MISUSE OF IDR

In 2024, more than 1.4 million federal IDR disputes were initiated – over double the amount initiated in 2023 (679,156).

Source: Congressional Research Service, November 2025

Roughly 40% of disputes were ineligible for IDR. IDR entities issued payment determinations on ~15% of ineligible disputes, leading to waste and unnecessary costs.

Source: AHIP / BCBSA Survey, October 2025

Providers continue to prevail in IDR cases. In surgery disputes, the final payment was **~13x the in-network amount.**

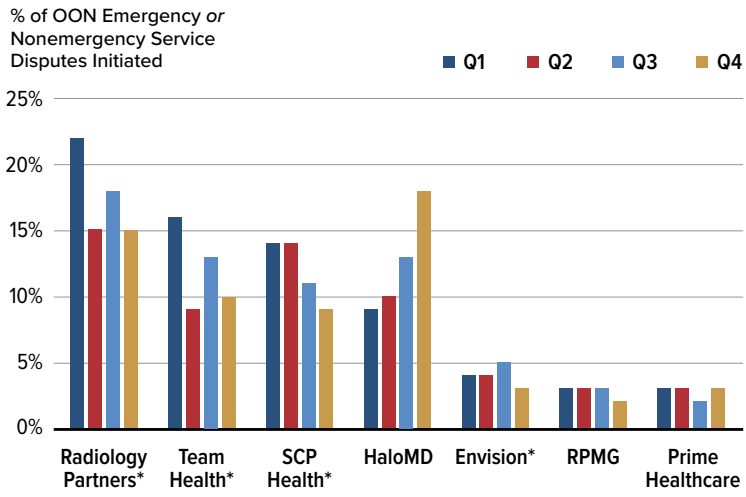
Source: Congressional Research Service, November 2025

PRIVATE EQUITY PLAYS BOTH SIDES OF IDR PROCESS

Private equity-backed providers remain heavy utilizers of the IDR process, including several that were among the top 10 initiating parties in IDR cases between 2023–2024 (e.g. Radiology Partners, Team Health, SCP Health and Envision).

Private equity is also involved in arbitrating IDR disputes, according to the Private Equity Stakeholder Project.[3] **Private equity firms are creating IDR monopolies, backing at least five of the 15 certified IDR entities as of October 2025. At least one private equity firm has investments in both providers using the IDR process and certified entities arbitrating disputes, a major conflict of interest.**

Percentage of Initiated OON Emergency/Nonemergency Service Disputes by Top Initiating Parties (2024, Congressional Research Service)[2]



Recommendations

Policymakers can take meaningful steps to address IDR misuse and abuse by:

- **Addressing persistent claim eligibility issues** that lead to wasteful, exorbitant costs.
- **Improving system transparency and oversight** of IDR entity performance through enhanced information sharing and performance monitoring.
- **Monitoring and correcting longstanding provider abuse of the arbitration process**, including through enforcement of existing fraud statutes that drive up employers' and employees' costs.

[1] The Substantial Costs Of The No Surprises Act Arbitration Process. August 2025. https://www.healthaffairs.org/content/forefront/substantial-costs-no-surprises-act-arbitration-process
[2] No Surprises Act (NSA) Independent Dispute Resolution (IDR) Process Data Analysis for 2024. November 2025. https://www.congress.gov/crs_external_products/R/PDF/R48738/R48738.2.pdf
[3] Profiting on all sides: Private equity and the No Surprises Act. November 2025. https://pestakeholder.org/news/profiting-on-all-sides-private-equity-and-the-no-surprises-act/

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