

‘Worst-Case’ Examples of Abuse, Misuse of *No Surprises Act* Show How Some Out-of-Network Providers and Private Equity Undermine the Law at Scale

The *No Surprises Act* was designed to protect patients from unexpected out-of-network medical bills. While it largely succeeded at shielding individual patients from direct balance billing, the law’s Independent Dispute Resolution (IDR) process has created a new loophole for some private equity-backed providers and IDR middlemen to exploit to their advantage. The end result is more than [\\$5 billion](#) in added costs to employers and employees, and a dysfunctional process that continues to add waste to the healthcare system. Here are just ten egregious 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 Statesmen](#), 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, previously settled claims refiled, 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% 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 representing fair market rates), according to [Health Affairs](#). HaloMD secured median awards of 920% and 835% of QPA. Researchers concluded that total IDR-related costs will have 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?”

The arbitration process has become a profit engine and business model for certain private equity-backed firms and IDR middlemen — one that is just as costly to patients, only harder to see. Higher premiums, higher deductibles, higher employer costs: these don't arrive in a medical bill with your name on them, but they are the downstream consequence of every \$440,000 surgery claim, every ineligible dispute that got paid anyway, and every arbitrator who awarded 900% of fair market rates without explanation. Patients are out of the middle — but they are still paying the price.