COALITION AGAINST
SURPRISE MEDICAL BILLING

July 6, 2026

Secretary Robert F. Kennedy Jr.
Department of Health and Human Services
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Secretary Scott Bessent
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Secretary Kennedy, Secretary Bessent, and Acting Secretary Sonderling:

The Coalition Against Surprise Medical Billing (CASMB), which represents leading employers, unions, health plans, and health organizations, writes to urge prompt action on the escalating fraud, waste, and abuse in the federal Independent Dispute Resolution (IDR) process under the *No Surprises Act*. This abuse is driving up the cost of healthcare for consumers and employers.

The IDR process was intended as a "last resort" for resolving out-of-network payment disputes. Instead, it has become a magnet for abuse and a contributor to the healthcare affordability crisis. IDR added more than $5 billion in estimated costs between 2022 and the end of 2024 — and that number is growing.[1] The most recent indication of the systemic cost challenges stemming from IDR came from the Congressional Budget Office, which recently noted, "Emerging evidence suggests that the law might not have the effects that CBO anticipated…several published reports indicate that providers are winning more than 8 in 10 IDR cases and are being awarded payments that are much higher than expected, particularly in certain geographic areas." CBO further stated the ripple effect for all Americans: "An increase in prices would increase premiums for commercial health insurance and, in turn, lead to larger federal deficits."[2]

The recent IDR operations final rule takes initial steps toward greater transparency but does not reach the core drivers of IDR abuse. Unfortunately, several provisions will likely increase the number of claims submitted to IDR. Without further action, a handful of bad actors, particularly private equity-backed providers and IDR middlemen, will continue to exploit the process at patients' expense. The scope of the IDR challenges is clear:

- **Runaway volume.** The latest data from CMS reports over 6.3 million IDR disputes have been filed since 2022.[3] CMS originally estimated 17,000 cases would be filed per year.[4] Providers and facilities initiate 99.9 percent of cases. Just four organizations (HaloMD, TeamHealth, Radiology Partners, and SCP Health, the latter three private equity-backed) accounted for more than half (56 percent) of all submitted disputes in the first six months of 2025.[5] The concentration of cases in a small subset of entities — some of which are actively promoting IDR as a profit-maximization tool — signals misuse rather than simply an underestimate by CMS.

- **Inflationary awards.** Providers prevailed in a record 88 percent of disputes in early 2025, and the awards bear little relationship to in-network rates.[6] For example, Radiology Partners secured median awards of

[1] https://www.healthaffairs.org/content/forefront/substantial-costs-no-surprises-act-arbitration-process
[2] https://www.cbo.gov/publication/62491
[3] https://www.cms.gov/nosurprises/policies-and-resources/reports
[4] https://www.federalregister.gov/documents/2021/10/07/2021-21441/requirements-related-to-surprise-billing-part-ii#footnote-187-p56056
[5] https://www.healthaffairs.org/content/forefront/no-surprises-act-idr-process-early-look-2025-data
[6] Ibid.

582 and 594 percent of the qualifying payment amount (QPA) in the first two quarters of 2025, and HaloMD's reached 920 and 835 percent.[7]

- **Misaligned incentives for IDREs.** The IDR entities (IDREs) that decide disputes profit from the volume they adjudicate. Initiating parties (almost always the provider) name their preferred arbitrator, and IDREs collect mandatory fees of $425 to $1,150 per determination, a direct incentive to maximize case volume and decide in favor of providers. Importantly, IDREs are not compensated for ineligible cases.[8][9] Further, weak conflict-of-interest enforcement leaves gaps that certain private equity-backed entities exploit. At least five IDREs are private equity-backed, including one that owns both a provider group and an IDRE.[10]

- **No guardrails to prevent gaming with ineligible disputes.** The current IDR structure does little to deter this conduct. Further, the final rule decreased the upfront cost to initiate a dispute to $15 from $115, and there is no penalty for filing ineligible or bad-faith claims. The incentives run exclusively in the wrong direction.

We urge the administration to utilize existing authority to act on the priorities below, and we stand ready to support complementary action by Congress. These critical changes include:

Addressing the affordability concerns and the rising costs to patients and employers — driven by escalating awards and claim volume — that run counter to the law's intent by:
- Establishing clear guardrails for IDREs to ensure awards reflect market-based benchmarks and reasonable costs for services.
- Closing the scope-of-services loopholes by tightening definitions and scrutinizing submissions to keep scheduled and non-surprise care out of IDR.
- Requiring more comprehensive and transparent information on determinations, including disclosure of original submissions, transparency and rationale for how each statutory factor was considered, and opportunities to solicit CMS review.

Reining in the bad-faith provider groups and IDR middlemen left unchecked by the IDREs meant to bring rigor and neutrality to the process by:
- Automatically screening eligibility through the IDR Gateway Portal *before* assigning an IDR entity to a dispute.
- Addressing bad-faith initiation of disputes by establishing an upfront IDR eligibility fee and penalties for patterns of abuse by providers.

Enforcing greater accountability and oversight of IDREs by:
- Establishing IDR entity performance metrics that hold IDREs accountable to the administration and the public, with a focus on transparency in decisions and financial stewardship.
- Addressing conflicts of interest and strengthening oversight of IDREs by establishing meaningful IDRE certification and decertification standards, so that IDREs are truly neutral and independent.

We appreciate your longstanding support for the *No Surprises Act*. Patients and employers cannot afford continued exploitation of its IDR process. We stand ready to work with you to ensure the law delivers on its promise of protecting consumers and reducing healthcare costs.

Sincerely,
The Coalition Against Surprise Medical Billing

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[7] Ibid.
[8] https://www.cms.gov/nosurprises/help-resolve-payment-disputes/payment-disputes-between-providers-and-health-plans
[9] https://www.cms.gov/newsroom/fact-sheets/federal-independent-dispute-resolution-idr-process-administrative-fee-and-certified-idr-entity-fee
[10] https://pestakeholder.org/news/profiting-on-all-sides-private-equity-and-the-no-surprises-act/