September 10, 2026

The Honorable John Thune
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Chuck Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
United States House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
United States House of Representatives
Washington, DC 20515

Dear Majority Leader Thune, Speaker Johnson, and Minority Leaders Schumer and Jeffries:

On behalf of the 67 undersigned organizations representing patients, consumers, large and small employers, and workers -- the Americans who pay for health care in our country -- we urge Congress to address flaws in the No Surprises Act that threaten to further hike health premiums and prices for all Americans. Since going into effect on January 1, 2022, the No Surprises Act (NSA) has prevented an estimated 50 million surprise medical bills from reaching consumers – a meaningful bipartisan achievement our organizations strongly supported. However, nearly six years after the law was passed, data reveal a critical flaw in the law's independent dispute resolution (IDR, or "arbitration") process that is undermining this success and driving up health care costs for consumers across the board. **Congress must act to close these costly IDR loopholes to ensure that patients, consumers, and employees remain protected from unexpected out-of-network bills – and that health insurance premiums are not driven higher as a result of abuse of the arbitration process.**

Despite the NSA's clear success in protecting consumers from surprise out-of-network bills, the law failed to institute a method for setting fair and reliable payments to out-of-network providers that would have helped protect consumers from rising health care premiums. Rather than establishing a clear, evidence-based benchmark for these out-of-network payments, the law relies on a "baseball-style" arbitration process that was initially envisioned as a last resort for payment disputes but has proven highly vulnerable to manipulation and abuse. Excessive litigation has also curtailed efforts by the Administration to rein in excessive payments to providers. **Now, a handful of private equity-backed staffing firms, provider groups, and IDR middlemen are flooding the law's arbitration system with millions of frivolous cases and using the IDR process as a profit engine, winning 87% of disputes at rates between three and 10 times the median in-network rate in 2025.**[i] As a result, these corporate provider groups have every incentive to drive up payment awards, and those higher costs are being passed on to consumers through higher premiums.[ii]

The scale of this problem is stark and growing:

- The federal government originally projected there would be roughly 17,000 IDR disputes per year,[iii] but providers submitted 1.4 million cases in 2024 and 2.6 million in 2025 — about 150 times more than anticipated.[iv]

- Notably, just four private equity-backed staffing firms and IDR middlemen are responsible for nearly half of this volume: HaloMD, TeamHealth, SCP Health and Radiology Partners, who have used IDR deliberately and consistently as a business model to generate inflated payment determinations.[v]
- Payment determinations for out-of-network providers in settled disputes far exceeded the median in-network rate, in 2025 reaching up to 334% of the median rate for emergency services, 398% for radiology, and 361% for anesthesia.[vi] According to a recent report from the Niskanen Center, "[t]he median prevailing offer for neurology and neuromuscular procedures has increased sharply over time, reaching nearly 30 times the QPA in the second quarter of 2025."[vii]
- In the fourth quarter of 2025 alone, large staffing firms initiated more than 700,000 cases, of which 134,000 were later declared ineligible for IDR.[viii] Because the reward for winning is so high and the cost of submitting an ineligible claim is so low, the perverse incentive is to flood the system with an 87% chance of an exorbitant payout rather than resolve legitimate disputes.

During NSA negotiations, patients, consumer advocates, employers, and labor groups largely agreed that a fixed benchmark, tied to Medicare or median-in-network rates, was the most common-sense approach to ensure fair payment without inflating costs.[ix] However, during the law's passage and subsequent implementation, corporate provider groups and PE-backed staffing firms successfully fought for an arbitration process stripped of critical guardrails, gutting the ability of the law to help contain inflated payments to providers and resulting spikes in health care premiums.

Without intervention – and as dispute volume continues to climb – consumers, employers, and workers will continue to pay the price. According to the latest CMS data, as analyzed by the New York Times, providers secured an additional $15 billion in arbitration payments in 2025 alone.[x] This year, the United Service Workers Health Plan specifically raised premiums by 1.75% on top of other premium increases to offset increased costs associated with IDR processes.[xi] As more plans continue to follow suit,[xii] the promise of the No Surprises Act to contain costs and potentially yield health care savings, both to the system and to consumers across America, is undoubtedly broken.

We call on Congress to get the No Surprises Act back on track. Any reforms to the NSA must be guided by the following principles to ensure that the law works as intended to hold consumers harmless from both surprise bills and the industry gaming that is raising premiums. We urge Congress to:

- Establish a predictable, transparent benchmark payment methodology that replaces the current arbitration system and provides certainty for patients, providers, and health plans.
- Protect patients and taxpayers by promoting fair, market-based payments that discourage gaming, prevent excessive reimbursement, and preserve the law's core protections against surprise medical bills.

In protecting millions of consumers each year from devastating surprise medical bills, the No Surprises Act is one of the most significant bipartisan consumer protection reforms in recent memory. But its central promise of protecting patients while lowering costs has been broken. Abuse of the arbitration

process is *raising* costs – by over $16 billion in 2025 alone, which is showing up as higher premiums for consumers and workers.[xiii] We call on Congress to stand up to corporate provider groups and IDR middlemen who are abusing IDR to profit at consumers' expense. Congress must act to rein in this corporate abuse and restore the law's full promise.

The undersigned organizations stand ready to support you in this essential and urgently needed work. Please contact Jane Sheehan, Deputy Senior Director of Government Relations at Families USA (JSheehan@familiesusa.org), for further information and to let us know how we can best be of service to you.

Sincerely,

Families USA
AFL-CIO
AiArthritis
Alliance to Fight for Health Care
ALS Association
American Benefits Council
American Federation of State, County and Municipal Employees (AFSCME)
AnCan Foundation
Arthritis Foundation
Autoimmune Association
Blood Cancer United
Cancer Support Community
CancerCare
Caregiver Action Network
Central States, Southeast and Southwest Areas Health and Welfare Fund
Clear Healthcare Advocacy, LLC
Coalition for Hemophilia B
Colorado Consumer Health Initiative
Consumer Reports
Culinary Health Fund
DFW Business Group on Health
Doctors for America
Economic Alliance for Michigan
Employer Coalition of Louisiana
Employers' Forum of Indiana
Employers' Advanced Cooperative on Healthcare
Epilepsy Foundation of America
Florida Alliance for Healthcare Value
Floridians for Accountability in Health Care, Inc
Gateway Business Health Coalition
Georgia Watch
Greater Philadelphia Business Coalition on Health
Health Access California
Houston Business Coalition on Health
Kentucky Voices for Health
Kintegra Family Medicine

Lehigh Valley Business Coalition on Healthcare (LVBCH)
Mechanical Contractors Association of America
Michigan Health Purchasers Coalition
MomsRising
Muscular Dystrophy Association
NABIP
National Alliance of Healthcare Purchaser Coalitions
National Bleeding Disorders Foundation
National Coordinating Committee for Multiemployer Plans (NCCMP)
National Kidney Foundation
National Patient Advocate Foundation
National Psoriasis Foundation
New Jersey Citizen Action
North Carolina Business Coalition on Health
Ohio Health Policy Alliance
Partnership for Employer Sponsored Coverage
Public Sector HealthCare Roundtable
Pulmonary Hypertension Association
Purchaser Business Group on Health
Rhode Island Business Group on Health
Serving at risk families everywhere, Inc.
Silicon Valley Employers Forum
The Alliance
The Asclepius Initiative
The ERISA Industry Committee
The Sheet Metal and Air Conditioning Contractors' National Association (SMACNA)
Third Way
U.S. PIRG
UNITE HERE
United Brotherhood of Carpenters and Joiners of America
Voices of Health Care Action

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[i] "Independent Dispute Resolution Reports," U.S. Centers for Medicare & Medicaid Services (CMS), CMS.gov, page last modified July 27, 2026, https://www.cms.gov/nosurprises/policies-and-resources/reports; "Requirements Related to Surprise Billing; Part II," *Federal Register* 86, no. 192 (October 7, 2021): 56056, https://www.federalregister.gov/documents/2021/10/07/2021-21441/requirements-related-to-surprise-billing-part-ii#citation-187-p56056; Hoadley et al., "The No Surprises Act IDR Process."

[ii] Sarah Kliff and Margot Sanger-Katz, "A $440,000 Breast Reduction: How Doctors Cashed In on a Consumer Protection Law," New York Times, April 22, 2026, https://www.nytimes.com/2026/04/22/us/politics/doctors-insurers-arbitration.html

[iii] *Federal Register* 86, no. 192 (October 7, 2021): 56056, https://www.federalregister.gov/documents/2021/10/07/2021-21441/requirements-related-to-surprise-billing-part-ii#citation-187-p56056

[iv] Jack Hoadley et al., "The No Surprises Act IDR Process: An Early Look at 2025 Data," *Health Affairs Forefront*, March 20, 2026, https://www.healthaffairs.org/content/forefront/no-surprises-act-idr-process-early-look-2025-data.

[v] Listed in order of most disputes filed to IDR in 2025. CMS, "Independent Dispute Resolution Reports."

[vi] CMS, "Independent Dispute Resolution Reports."

[vii] Lawson Mansell and Caitlin Rowley Gallamore, "New Data, Same Problem: No Surprises Act Arbitration Abuse Persists," Niskanen Center, July 30, 2026, https://www.niskanencenter.org/new-data-same-problem-no-surprises-act-arbitration-abuse-persists/

[viii] CMS, "Independent Dispute Resolution Reports."

[ix] Rajesh Reddy and Erin L. Duffy, "Congress Ends Surprise Billing: Implications for Payers, Providers, and Patients," American Journal of Managed Care 27, no. 8 (2021): e248-e250, https://www.ajmc.com/view/congress-ends-surprise-billing-implications-for-payers-providers-and-patients

[x] Sarah Kliff, Margot Sanger-Katz, and Alicia Parlapiano, "Trump Administration Says Surprise Billing Law Is Being 'Gamed' by Doctors," New York Times, July 22, 2026, https://www.nytimes.com/2026/07/22/upshot/doctors-huge-payments-trump.html

[xi] AHIP, "NYT: Provider-Driven Abuse."

[xii] Matt McGough, Jared Ortaliza, Ashley Ferguson, Imani Telesford, Shameek Rakshit, Emma Wager, Lynne Cotter, and Cynthia Cox, "How Much and Why ACA Marketplace Premiums Are Going Up in 2027," Peterson-KFF Health System Tracker, August 3, 2026, https://www.healthsystemtracker.org/brief/how-much-and-why-aca-marketplace-premiums-are-going-up-in-2027/

[xiii] Jack Hoadley and Kennah Watts, "Spending On IDR Process Pushes No Surprises Act Costs To More Than $22.4 Billion Over Just Four Years," Center on Health Insurance Reforms (blog), Georgetown University, August 28, 2026, https://chir.georgetown.edu/spending-on-idr-process-pushes-no-surprises-act-costs-to-more-than-22-4-billion-over-just-four-years/