

## Proposed Enhancements to the Independent Dispute Resolution Process under the No Surprises Act

The American Hospital Association (AHA), representing nearly 5,000 member hospitals and health systems alongside 270,000 physicians and 2 million caregivers, has provided detailed feedback on the Centers for Medicare & Medicaid Services (CMS) proposed changes to the Independent Dispute Resolution (IDR) process established under the No Surprises Act (NSA). This white paper synthesizes AHA's recommendations and critiques to illuminate potential impacts on healthcare providers, patients, and payers.

The NSA was enacted to protect patients from unexpected medical bills for out-of-network services while fostering collaborative negotiations between providers and payers. The IDR process acts as a mechanism to resolve disputes when negotiations fail. AHA supports the NSA's goals, but has raised concerns about the IDR's implementation, particularly around reimbursement, efficiency, and equity.

### Key Proposed Enhancements and AHA's Position

#### 1. Streamlining Claim Adjudication

- **Proposal:** Allow batching of all items and services from a single patient encounter in the IDR process.
- **AHA Position:** Strongly supports this change, noting it will reduce administrative burden and financial inefficiencies. However, AHA opposes the proposed cap of 25 line items per batch, arguing it undermines the goal of comprehensive dispute resolution for complex care episodes.

#### 2. Enhanced Transparency and Information Sharing

- **Proposal:** Require payers to share detailed claim eligibility information, including Claim Adjustment Reason Codes (CARCs) and Remittance Advice Remark Codes (RARCs).
- **AHA Position:** Supports this change, emphasizing that consistent and clear information sharing is critical to reducing disputes and improving provider-payer communication.

#### 3. Improved Oversight and Accountability

- **Proposal:** Increase federal oversight of payer compliance with IDR determinations and require payers to register with the federal portal.
- **AHA Position:** Advocates for stronger payer oversight, citing delayed payments and payer noncompliance as systemic issues that harm providers and patients. AHA highlights a concerning lack of audits despite the NSA's multi-year implementation.

#### 4. Revised Bundling and Batching Rules

- **Proposal:** Permit bundling of claims under bundled payment arrangements (e.g., DRGs) for single-payment determinations.
- **AHA Position:** Supports alignment with Medicare's MS-DRG bundling rules and encourages exemptions for facility-based claims from line item caps.



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## 5. Simplified Administrative Fee Collection

- **Proposal:** Standardize administrative fee collection through CMS, with reduced fees for low-dollar disputes and non-initiating parties in ineligible cases.
- **AHA Position:** Supports these proposals but remains concerned about high administrative fees and their potential to deter IDR use, particularly for smaller providers.

## 6. Increased Efficiency in Eligibility Determinations

- **Proposal:** Establish stricter timelines for determining claim eligibility and provide a grace period for resubmitting claims.
- **AHA Position:** Endorses these changes, stressing the need for consistency and fairness in eligibility determinations.

## Critical Concerns and Recommendations

### Transparency of Qualifying Payment Amounts (QPAs)

- AHA emphasizes the need for greater transparency and accuracy in QPA calculations, given their pivotal role in IDR decisions.

### Payer Noncompliance with IDR Determinations

- Hospitals report widespread payer delays or failures in remitting payment after favorable IDR outcomes. AHA urges immediate and robust enforcement mechanisms.

### Auditing and Oversight

- Despite the NSA's requirements, no payer audits have been completed. AHA calls for urgent action to address this oversight gap.

### Implications for Stakeholders

1. **Healthcare Providers:** The proposed changes aim to reduce administrative burdens and improve reimbursement fairness, though concerns remain about batching caps and fee structures.
2. **Payers:** Increased oversight and transparency requirements could impose additional compliance demands but are necessary for equitable dispute resolution.
3. **Patients:** Streamlined processes and enhanced oversight promise to uphold NSA's patient protections while ensuring access to quality care.

The proposed changes to the IDR process under the NSA address many concerns raised by healthcare providers, particularly around batching, transparency, and payer compliance. However, critical issues like QPA transparency, payer accountability, and administrative fee structures require further refinement. AHA urges CMS to prioritize these areas in final rulemaking to ensure a balanced and effective IDR process that upholds the NSA's goals.

APS will continue to monitor this and all legislation and influences to the NSA and its processes as they impact your revenue. We will continue to update you as more information becomes available. If you have further questions, please contact your Practice Manager.