July 10, 2026

The Honorable Jason Smith
Chair
U.S. House of Representatives
Committee on Ways and Means
1011 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
U.S. House of Representatives
Committee on Ways and Means
372 Cannon House Office Building
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal:

The 58 undersigned employers and employer organizations write in opposition to the *No Surprises Act Enforcement Act (H.R. 4710/S. 2420),* which will exacerbate the affordability crisis.

Rising health care costs are placing a large burden on employers and working families. Employers are increasingly alarmed about misuse of the independent dispute resolution (IDR) process under the *No Surprises Act* that is fueling higher health care costs and deepening the affordability crisis. This landmark law was intended to protect patients from surprise medical bills and lower health care costs. While the law has protected patients from the immediate cost of surprise medical bills, implementation of the law has fallen far short of the equally important goal of making health care more affordable.

Instead, the profit-driven use of the IDR process by certain provider groups and middlemen is causing health care costs to spiral even higher, and employers, working families, patients and consumers are paying the price. Congress should be focused on advancing policies that improve health care affordability by fixing the broken IDR system rather than misguided legislation like the *No Surprises Act Enforcement Act,* which will only exacerbate the affordability crisis.

Employers believe that providers should be paid fairly and in a timely manner for eligible claims, yet employers oppose the *No Surprises Act Enforcement Act* because imposing new penalties for late payments on top of a fundamentally flawed IDR process, that incentivizes submission of ineligible claims, will result in more abuse of an increasingly broken system.

When the law took effect, federal regulators estimated approximately 17,000 arbitration cases a year would be submitted to the IDR process — the process Congress established as a last resort for providers and payers to resolve disputes over out-of-network rates for surprise medical bills.[1] Arbitration was intended to be a backstop to resolving surprise billing disputes only after good-faith open negotiations failed. But the enormous number of cases flooding the system — over 1.2

[1] https://www.federalregister.gov/documents/2021/10/07/2021-21441/requirements-related-to-surprise-billing-part-ii#footnote-187-p56056

million cases were filed in the first half of 2025[2] — tell a different story of certain provider groups and middlemen who have turned the *No Surprises Act* into a profit center.

Large provider groups and provider representatives initiated the majority of these disputes. In the first half of 2025, just four entities initiated 56 percent of all IDR disputes.[3] These enterprises have a significant financial incentive for doing so: providers are prevailing in 88 percent of IDR cases with these entities securing payments ranging from roughly 300% to more than 900% of the qualifying payment amount (QPA), which is designed to represent the median in-network rate.[4] These financial incentives embedded in the IDR process are driving provider consolidation as the doctors that can best afford to use IDR are the ones that were acquired by large provider groups or represented by middlemen. This is making it even harder for independent doctors' practices to remain in business. In their call for new research on the No Surprises Act, the Congressional Budget Office noted that: "Early evidence suggests that large organizations dominate arbitration activity, potentially disadvantaging smaller providers and encouraging consolidation."[5]

The IDR entities themselves, the arbitrators deciding the cases, are also profiting from a system without sufficient guardrails. A flood of ineligible claims is straining the system. A survey by AHIP/BCBSA found that nearly 40% of arbitration disputes initiated in 2024 were ineligible and should have been disqualified, yet most led to awards anyway.[6] IDR entities are not paid when they rule that cases are ineligible. Instead, they are paid per case only when they issue payment determinations. This incentivizes the IDR entities to maximize the volume of awards, including for ineligible claims, instead of ensuring impartiality.

A recent *New York Times* article, "A $440,000 Breast Reduction: How Doctors Cashed In on a Consumer Protection Law," highlights the impact of the misaligned incentives in a broken system.[7] The article also describes how a neurosurgery practice outside of Philadelphia went to arbitration after the health plan Highmark offered its standard payment of $2,660 for a diagnostic procedure to measure blood flow to the brain. An arbitrator awarded it $333,000 instead. In another case, a New Jersey anesthesiologist was awarded $14,560 in 2025 for an X-ray-guided steroid injection. Another recent *New York Times* article included the example of a surgical assistant in Dallas who was awarded $50,456 through arbitration for a prostate removal operation while the surgeon, who accepted the patient's insurance, was paid $1,843.[8]

There are many other examples of excessive and unreasonable awards that illustrate how the No Surprises Act IDR process is fueling higher health care costs that are ultimately borne by

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[2] https://www.healthaffairs.org/content/forefront/no-surprises-act-idr-process-early-look-2025-data

[3] Id.

[4] Id.

[5] https://www.cbo.gov/publication/62491

[6] https://ahiporg-production.s3.amazonaws.com/documents/202510_AHIP_IB_No_Surprises_Act_Survey51.pdf

[7] https://www.nytimes.com/2026/04/22/us/politics/doctors-insurers-arbitration.html

[8] https://www.nytimes.com/2026/06/29/upshot/assistant-surgeons-loophole-pay.html

employers and employees — ultimately leading to more than $5 billion in added health care costs.[9] These costs, which provide no additional value for employees or their families, will only multiply over time if the misaligned incentives and lack of guardrails further undermine the health care networks upon which employees rely for affordable, high-quality care.

Unfortunately, the *No Surprises Act Enforcement Act* will not fix the underlying problems with the IDR process. Instead, it will compound and accelerate the health care affordability crisis by layering a new penalty, paid by plans — and ultimately by employees and their families — on top of a fundamentally flawed IDR structure. Moreover, the bill would extend penalties for late payments to the vast number of ineligible claims that should never have been awarded in the first place.

The *No Surprises Act Enforcement Act* is the wrong solution at the wrong time. We urge Congress to reject this flawed legislation that will compound the problems of a flawed IDR process. We urge Congress to focus its efforts on advancing legislation that will instead make health care more affordable for employers, employees and their families by fixing these flaws. We look forward to working with you on a comprehensive set of reforms to the law that address the underlying problems with the IDR structure in a holistic and meaningful way.

Signed,

Advancing Free Market Healthcare
Alliance Coal Health Plan
American Benefits Council
Auburn University
Ball Corporation
Business Group on Health
Charter Communications, Inc.
CHRO Association
City of Austin
City of Tyler
Cornerstone Building Brands
Corporate Health Care Coalition
Cox Enterprises, Inc.
Dallas-Fort Worth Business Group on Health
Delta Air Lines
DICK'S Sporting Goods, Inc.
Domtar
Dow, Inc.
Economic Alliance for Michigan
Employers' Health Coalition of Idaho
Florida Alliance for Healthcare Value
Floridians for Accountability in Health Care
Halliburton
Health Action Council
International Paper Company
Kinder Morgan, Inc.
Lehigh Valley Business Coalition on Healthcare (LVBCH)
LIFENET
Microsoft Corporation
Midwest Business Group on Health
Montana Chamber of Commerce

[9] https://www.healthaffairs.org/content/forefront/substantial-costs-no-surprises-act-arbitration-process

Moody National Companies, LP

Moog Inc

National Alliance of Healthcare Purchaser Coalitions

Nokia of America Corporation

NRECA - America's Electric Cooperatives

Omnicell

Powell Industries, Inc.

Princeton University

ProDirectional

Purchaser Business Group on Health

Qualcomm, Inc.

Quest Diagnostics

QuikTrip Corporation Employee Benefit Plan

Redstone Group, LLC

Rhode Island Business Group on Health

Round Rock ISD

Silicon Valley Employers Forum

Small Business Majority

Southern Company

Stevens Transport, Inc

Texas Business Group on Health

The Alliance

The ERISA Industry Committee

TX Health Benefits Pool

U.S. Renal Care

Unitarian Universalist Association Employee Benefits Trust

Wood Group

cc: All members of Congress