Provider Success in Federal and New Jersey Dispute Resolution Arbitrations



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The No Surprises Act established a Federal Independent Dispute Resolution (IDR) process. The IDR process allows out-of-network (OON) providers and facilities (including ASCs), and health insurance carriers to determine OON rates for qualified IDR items or services after unsuccessful negotiations. The Departments of Health and Human Services, Labor, and the Treasury periodically publish certain information about the Federal IDR process.

According to the most recent federal agency data, medical providers had a strong showing in arbitration disputes during the first half of 2023. Between January 1 and June 30, 2023, certified IDR entities made payment determinations in 83,868 disputes. Providers, facilities, and air ambulance services were the prevailing parties in 77% of these cases, while health insurance carriers prevailed in 23% of disputes. In approximately 82% of determinations, the prevailing offer exceeded the qualifying payment amount (QPA), with variations based on specialty and service costs. Notably, smaller-dollar services often had higher prevailing offers as a percentage of the QPA.

In 2023, medical providers in New Jersey performed strongly in arbitration disputes as well, according to the State of New Jersey Department of Banking & Insurance (DOBI). This information is published annually in the Out-of-network Consumer Protection, Transparency, Cost Containment, and Accountability Act (P.L. 2018, c.32) Data Reporting, which includes details on IDR arbitrations in the State. The report covers various aspects of OON healthcare charges, the arbitration process, and complaints received, ensuring transparency and accountability in handling OON billing issues.

According to DOBI, as of December 31, 2023, MAXIMUS Federal, the contractor engaged to handle arbitrations, had received

15,565 arbitration requests. Of the 15,236 cases resolved, decisions (including defaults) were issued in 9,342 cases. Overall, providers prevailed in 6,199 cases, accounting for 66% of the total number of cases, with awards totaling $81,385,434.87. Carriers prevailed in 3,143 cases or 34% of the total with awards totaling $21,312,123.81.

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