New No Suprises Act data through Q4 2024 highlights need for payers to rethink their strategy

On May 28, 2025, the Centers for Medicare & Medicaid Services (CMS) released a trove of data documenting outcomes of Independent Dispute Resolutions (IDRs) for out-of-network (OON) claims that fall under the federal No Surprises Act (NSA) through December 2024. The data shows substantial growth in case volume and provider reimbursements made through the IDR process. The following brief is intended to bring awareness to national trends and outline steps payers should take to ensure readiness of internal operations to effectively respond to rising case volumes and financial pressures.

What is the No Surprises Act?

The NSA took effect in January 2022 to protect patients from unexpected medical bills stemming from OON emergency care and non-emergency services provided at in-network facilities. The NSA introduced new requirements for payers and providers, including:

- Prohibition on balance billing for qualifying services
- Requirement of providers to furnish Good Faith Estimates (GFE) to self-pay patients
- Establishment of an IDR process to resolve payment disagreements between providers and insurers
- Mandated updates to provider directories and cost estimate tools to increase the transparency of care costs for patients

The law applies to both fully insured and self-funded group payers, including commercial individual and employer-sponsored markets.

How has the NSA impacted payers?

The NSA created a regulated process for payers and providers to determine payment for OON services while limiting member out-of-pocket liability. The act established an initial payment benchmark known as the qualifying payment amount (QPA) to anchor initial payment to providers. It provided a structured process for providers to negotiate reimbursement rates above QPA or seek resolution from an assigned arbiter ("independent resolution entity" (IDRE)).

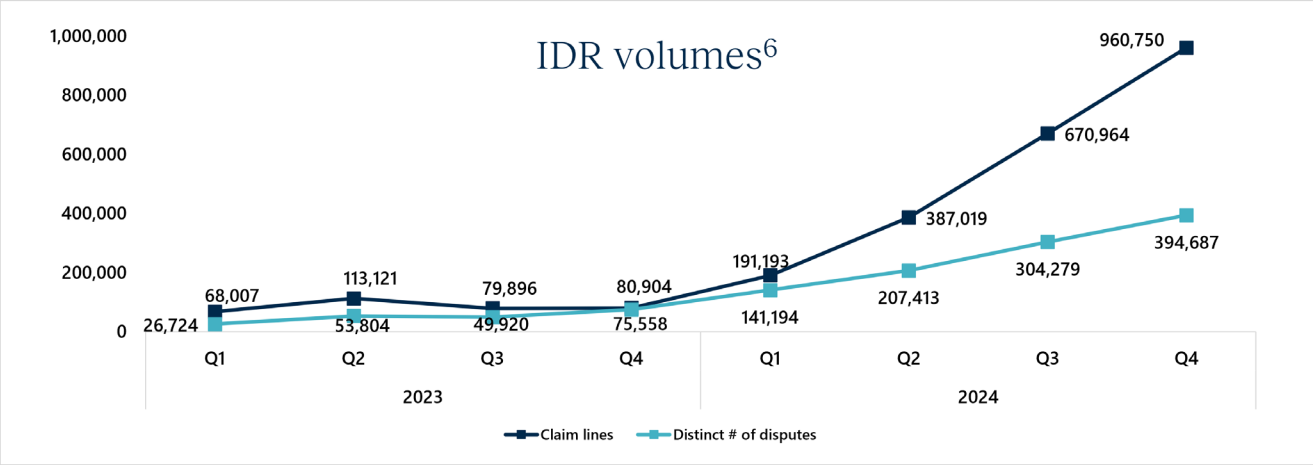
In 2023, several lawsuits challenged the fairness of the IDR process, particularly the emphasis placed on the QPA to determine payments [1-5]. Courts issued rulings that vacated key provisions of the IDR regulations.

In response, the Departments of Health and Human Services, Labor, and the Treasury issued a final rule in December 2023 that amended the existing regulation, eliminating the requirement for arbiters to give presumptive weight to the QPA, directing them to consider a broader set of factors such as provider experience, case complexity, and prior contracted rates. These changes contributed to a dramatic shift in IDR outcomes.

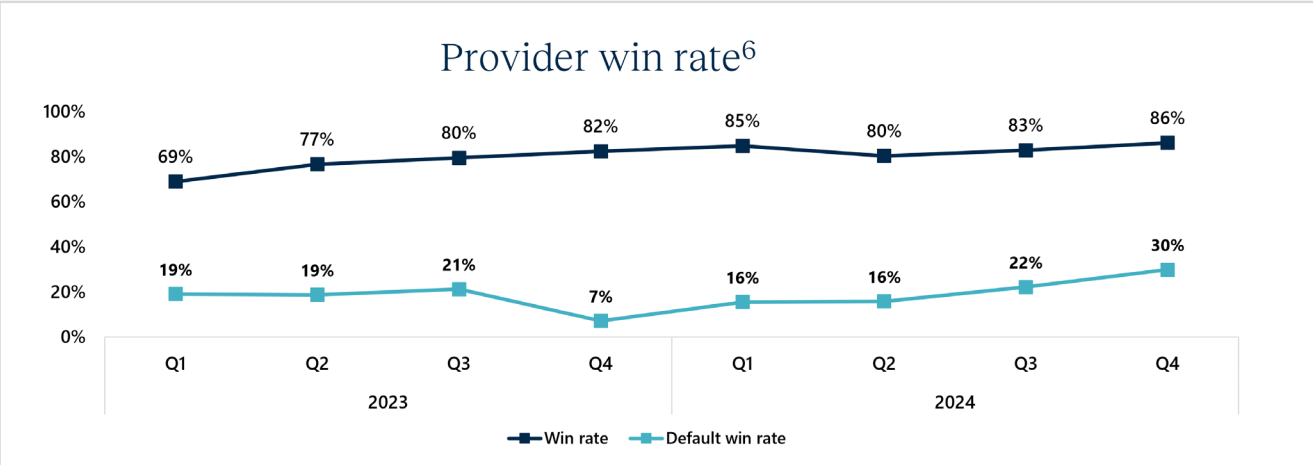
What does the 2024 IDR data show?

Recently published data by CMS shows IDR case volumes grew dramatically in the second half of 2024. Nationally, growth in case volumes coincided with continued increases in reimbursements awarded to providers via IDR settlements. These factors raise the importance for health insurers to carefully monitor volumes and negotiation outcomes each month to ensure they have appropriate strategies, operating models, and resource capacity to manage financial liability posed by the NSA process.

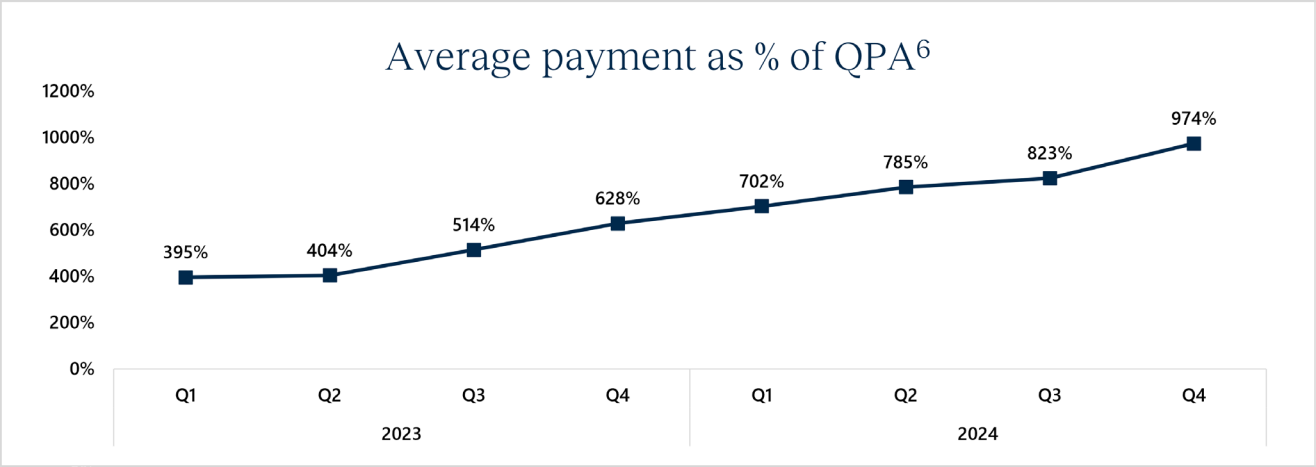
Nationally, the volume of IDR decisions increased each quarter in 2024. The number of services (claim lines) included in IDR decisions increased by 1,088% from Q4 2023 to Q4 2024. The number of disputes grew by 625% over the same period, reflecting more frequent bundling of claim lines within IDR decisions.



As of Q4 2024, IDR entities ruled in favor of providers 86% of the time. 30% of the rulings favoring the provider arbitration offer were default decisions, which means the payer did not submit a valid counteroffer.



Reimbursement rates associated with IDR cases also increased in 2024. As of Q4 2024, the average IDR settlement was ~1,000% of the plan's QPA.



How should payers respond?

Increased arbitration case volumes have overwhelmed both payer systems and IDRE capacity. Given that such volumes are expected to continue, payers need to take a critical eye to current operations to ensure readiness. In many cases, payers will require specialized resources, integrated operational and contracting capabilities, and scalable technology to optimize outcomes and limit financial risk.

Specifically, key priorities to enhance NSA performance include:

- **Build robust forecasting capabilities:** Due to the rapid growth in case volumes, many plans have not yet updated financial forecasts to accurately reflect the expected impact of NSA volumes. Payers must provide their actuarial teams with the tools and resources required to analyze and forecast market conditions regularly, enabling a proactive and strategic response.
- **Assess scalability of operations:** Assess the scalability of processes and technology solutions. This includes identifying opportunities for automation within workflows, improving case tracking systems, and evaluating current staffing models based on volume projections.
- **Optimize operating models:** Develop an array of strategies that address root causes of IDR cases, including effective validation of case eligibility, flexible negotiation strategies for high-volume providers, and close partnership with network contracting teams and contracted providers to reduce OON claims exposure.
- **Improve arbitration outcomes:** Enhance arbitration tactics to improve overall success, including enhancing documentation of positions and participating in IDRE selection.
- **Strengthen performance management platforms:** Deploy specialized analytics and reporting platforms to closely monitor claim operations and to deliver increasingly robust reporting to internal and external stakeholders.

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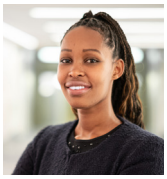

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