

NSA Implementation Issues Are Failing Patients & Providers

It's Time for a Tax Cut!

Background

Under the No Surprises Act (NSA), each party to the Independent Dispute Resolution (IDR) process is required to pay an administrative fee set by the Treasury, Labor, and Health & Human Services Departments. The amount of the fee is supposed to be equal to the cost borne by the Departments each year in carrying out the IDR process. In October 2021, the Departments set the administrative fee at \$50 for both parties to a dispute. In December 2022, however, the Departments increased the per-party fee for 2023 from \$50 to \$350, claiming the 600% increase was necessary due to higher Federal IDR process costs.

In response, the Texas Medical Association and other parties sued, and the high rate was rescinded by the courts because the increase was issued without required notice and comment rulemaking. The Departments reverted to the \$50 fee but then again hiked the fee for disputes initiated on or after January 22, 2024 to \$115 per party per dispute. In making this change, the Departments stated the following about the \$115 fee:

- ***The administrative fees paid are estimated to be equal to the amount of expenditures estimated to be made by the Departments in carrying out the Federal IDR process.***

The \$115 Fee = Excessive Taxation

Although the prior Administration claimed the NSA fee had to be increased to \$115 to cover costs, new data from the [2025 Public Use Files](#) reveal the Departments are collecting much more money than needed to cover IDR process costs. In fact, the Departments are collecting **more than three times as much from providers than needed and the overcharges are accelerating, totaling nearly \$400 million since last January!**

2024-2025	Q1-24	Q2-24	Q3-24	Q4-24	Q1-25	Q2-25	TOTAL
Expenditures	\$17,845,881	\$23,063,504	\$15,490,564	\$8,668,338	\$35,514,098	\$8,973,817	\$109,556,202
Collections	\$16,803,265	\$37,056,260	\$41,432,235	\$63,857,245	\$96,544,970	\$133,946,640	\$389,640,615

As the Departments have conceded, their high fee may make it "economically infeasible to initiate some claims." In other words, this fee may be stopping providers from being able to pursue fair reimbursement for the services they provide. For all these reasons, **the \$115 fee is wrong!**

IT'S TIME FOR A REFUND!

At a time when affordability is at the center of the healthcare debate, there is no justification for the government to be over-collecting by hundreds of millions. The Administration should sharply reduce the fee and refund the overpayment to providers and employer health plans.