

# The No Surprises Act:

## Protecting American Families and Businesses from the High Cost of Surprise Medical Bills

### The Problem:

Late changes to the **No Surprises Act**, signed into law December 2020, removed median in-network rates as a benchmark to determine a fair price for out-of-network medical services. Instead, a host of new, unnecessary and redundant variables must be factored into the arbitration process.

**This will create a backdoor opportunity for physicians and hospitals to continue collecting high, out-of-network rates at the expense of patients and businesses.**

Eliminating provider leverage to surprise-bill could reduce insurance premiums by approximately

**\$38 billion**

for the nation's commercially insured population.

Source:  
[www.ajmc.com/view/policies-to-address-surprise-billing-can-affect-health-insurance-premiums](http://www.ajmc.com/view/policies-to-address-surprise-billing-can-affect-health-insurance-premiums)

### The Solution:

Regulators from three federal agencies are currently working to draft the guidelines for implementing the **No Surprises Act**, which is scheduled to take effect January 2022. **They must create rules that align with the law's intended and desperately needed cost-cutting intent by:**

- **Reasserting median, in-network rates as the basis for arbitration resolution:** Of particular importance in implementing the *No Surprises Act* is the calculation and role of the Qualifying Payment Amount (QPA), or the median in-network rate for each health plan.

**The QPA should be given primary consideration in arbitration to ensure rates paid for out-of-network services are in line with those negotiated between health plans and in-network providers.**

- **Minimizing other factors when determining rates:** **Variables**, such as particulars about the episode of care, the providers' level of training and the type of facility in which the services were provided, are already reflected in payment codes and **should take a secondary role to the QPA when determining out-of-network reimbursements.**

The Fair Health Costs Initiative is an Arnold Ventures-backed effort by the Purchaser Business Group on Health and National Alliance of Healthcare Coalitions to mobilize employer purchasers, educate policymakers and advocate for public policies to reduce health care prices.