

How latest surprise-billing rule entrenches health insurers' power

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What's the news: The Biden administration has issued a second interim final rule (IFR) to implement the No Surprises Act that takes effect in January, but unfortunately it represents an undeserved gift to the insurance industry that will reduce health care options for patients.

The IFR “ignores congressional intent and flies in the face of the Biden administration’s stated concerns about consolidation in the health care marketplace,” said AMA President Gerald A. Harmon, MD. “It disregards the insurance industry’s role in creating the problem of surprise billing at the expense of independent physician practices whose ability to negotiate provider network contracts continues to erode.”

Congress correctly understood “the negative consequences of national price setting for health care services and spent considerable time and effort developing a robust independent dispute-resolution process to maintain market balance and preserve access to care, which the administration apparently ignored,” added Dr. Harmon, a family physician in South Carolina.

“It also is apparent that the administration failed to appreciate the importance of creating an accessible and impartial dispute-resolution processes as a backstop against even greater insurer abuses,” Dr. Harmon said.

Why it's important: This surprise-billing IFR comes just days after the AMA published the newest annual edition of “Competition in Health Insurance: A Comprehensive Study of U.S. Markets” (PDF), with findings demonstrating the rise of highly concentrated markets for health insurance. This year’s study revealed that a startling 73% of the nation’s insurer markets can be classified as “highly concentrated,” according to the federal government’s own guidelines. The result is higher premiums and narrower provider networks, which are a root cause of the surprise medical billing problem.

The AMA is urging the Biden administration to delay implementation and allow full evaluation of policies in the interim final regulation that have negative long-term implications for patients and the health care system.

Learn more: Earlier this year, the Biden administration issued its first IFR to implement other elements of the No Surprises Act. Read the [AMA's analysis](#) and discover [why surprise-billing regulations shouldn't be tilted toward health plans](#).

Patients, physicians and policymakers are deeply concerned about patient costs caused by narrow provider networks. When patients must go out of network to receive covered care, they're often burdened with unexpectedly high medical bills.

The AMA [supports patient protections from unanticipated medical bills](#), and stronger provider network regulations to ensure fair payment to out-of-network physicians. Find out the [six ways that insurers are driving the surprise-billing phenomenon](#).