

RICHARD E. NEAL  
MASSACHUSETTS,  
CHAIRMAN

LLOYD DOGGETT, TEXAS  
MIKE THOMPSON, CALIFORNIA  
JOHN B. LARSON, CONNECTICUT  
EARL BLUMENAUER, OREGON  
RON KIND, WISCONSIN  
BILL PASCRELL JR., NEW JERSEY  
DANNY K. DAVIS, ILLINOIS  
LINDA T. SANCHEZ, CALIFORNIA  
BRIAN HIGGINS, NEW YORK  
TERRI A. SEWELL, ALABAMA  
SUZAN DELBENE, WASHINGTON  
JUDY CHU, CALIFORNIA  
GWEN MOORE, WISCONSIN  
DAN KILDEE, MICHIGAN  
BRENDAN BOYLE, PENNSYLVANIA  
DON BEYER, VIRGINIA  
DWIGHT EVANS, PENNSYLVANIA  
BRAD SCHNEIDER, ILLINOIS  
TOM SUOZZI, NEW YORK  
JIMMY PANETTA, CALIFORNIA  
STEPHANIE MURPHY, FLORIDA  
JIMMY GOMEZ, CALIFORNIA  
STEVEN HORSFORD, NEVADA  
STACEY PLASKETT, VIRGIN ISLANDS

BRANDON CASEY,  
MAJORITY STAFF DIRECTOR

# Congress of the United States

## U.S. House of Representatives

### COMMITTEE ON WAYS AND MEANS

1102 LONGWORTH HOUSE OFFICE BUILDING

(202) 225-3625

Washington, D.C 20515-0348

<http://waysandmeans.house.gov>

KEVIN BRADY  
TEXAS,  
RANKING MEMBER

DEVIN NUNES, CALIFORNIA  
VERN BUCHANAN, FLORIDA  
ADRIAN SMITH, NEBRASKA  
TOM REED, NEW YORK  
MIKE KELLY, PENNSYLVANIA  
JASON SMITH, MISSOURI  
TOM RICE, SOUTH CAROLINA  
DAVID SCHWEIKERT, ARIZONA  
JACKIE WALORSKI, INDIANA  
DARIN LAHOOD, ILLINOIS  
BRAD R. WENSTRUP, OHIO  
JODEY ARRINGTON, TEXAS  
DREW FERGUSON, GEORGIA  
RON ESTES, KANSAS  
LLOYD SMUCKER,  
PENNSYLVANIA  
KEVIN HERN, OKLAHOMA  
CAROL MILLER, WEST  
VIRGINIA

GARY ANDRES,  
MINORITY STAFF DIRECTOR

October 4, 2021

The Honorable Xavier Becerra  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

The Honorable Martin Walsh  
Secretary  
U.S. Department of Labor  
200 Constitution Avenue, NW  
Washington, DC 20210

The Honorable Janet Yellen  
Secretary  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, DC 20220

Re: Implementation of the No Surprises Act

Dear Secretaries Becerra, Yellen, and Walsh:

We write regarding our concerns with respect to the implementation of the historic and bipartisan No Surprises Act by your Departments. We are concerned that the regulation published on September 30, 2021, as well as the decision to delay full implementation of the Advanced Explanation of Benefits (AEOB) and other patient protections, do not reflect the law that Congress passed. While this law represents one of the greatest consumer protection reforms in American history, its success depends on your Departments fulfilling Congressional intent and swiftly implementing all necessary provisions.

For far too long, patients received devastating surprise out-of-network medical bills and suffered from a lack of price transparency. Payers and providers put patients in the middle of their payment disputes. They kept patients in the dark about the cost of their care, then saddled them with insurmountable and unexpected charges. Congress stepped in to protect patients by ending the practice of surprise medical billing. In so doing, Congress sought to promote fairness in payment disputes between insurers and providers—carefully specifying all the various factors that should be considered during the independent dispute resolution (IDR) process. Your

Departments are also charged with ensuring that payers and providers work together to provide patients with transparent information that includes the patients' costs and the network status of their providers in the form of an AEOB.

The IDR process was subject to extensive Congressional consideration for nearly two years prior to the enactment of the No Surprises Act. The law incentivizes insurers and providers to act in good faith and resolve disputes amongst themselves while also recognizing that the parties may be unable to resolve their differences in certain instances. As a result, the law provides for an IDR process overseen by an independent and neutral arbiter who must consider a number of factors equally in deciding whether to select the provider or payer's offer. Such factors include median in-network rates, prior contracted rates during the previous four plan years, the relative market share of both parties involved, the provider's training and experience, the patient's acuity, the complexity of furnishing the item or service, and in the case of a provider that is a facility, its teaching status, case mix and scope of services, demonstrations of good faith efforts (or lack of good faith efforts) to enter into a network agreement, and other items. Congress deliberately crafted the law to avoid any one factor tipping the scales during the IDR process.

As you know, the Committees of jurisdiction worked through multiple proposals to end surprise billing throughout the 116<sup>th</sup> Congress. The compromise reflected in the No Surprises Act balanced the various approaches alongside the significant political and economic considerations at issue. Multiple proposals that ultimately did not become law relied on the median in-network rate as the benchmark for payment, with baseball-style arbitration designed as a backstop to, at most, result in a mere adjustment to the benchmark rate. In contrast, the legislation reported out of the Committee on Ways and Means, which was adopted in the No Surprises Act, authorizes IDR but does not preference in-network rates to determine the payment amount. The law Congress enacted directs the arbiter to consider all of the factors without giving preference or priority to any one factor—that is the express result of substantial negotiation and deliberation among those Committees of jurisdiction, and reflects Congress's intent to design an IDR process that does not become a de facto benchmark.

Despite the careful balance Congress designed for the IDR process, the September 30, 2021 interim final rule with comment strays from the No Surprises Act in favor of an approach that Congress *did not* enact in the final law and does so in a very concerning manner. The rule crafts a process that essentially tips the scale for the median contracted rate being the default appropriate payment amount. Under the interim final rule, the IDR entity is only allowed to deviate from the median amount where the parties present “credible information about additional circumstances [that] clearly demonstrates that the [median in-network rate] is materially different from the appropriate out-of-network rate.” Such a standard affronts the provisions enacted into law, and we are concerned that this approach biases the IDR entity toward one factor (a median rate) as opposed to evaluating all factors equally as Congress intended.

In addition, we are concerned by the Administration's decision to delay the implementation of certain key transparency provisions slated to take effect on January 1, 2022. In guidance from August 2021, the Centers for Medicare and Medicaid Services delayed the compliance date for when consumers should receive a good faith estimate of the cost of services

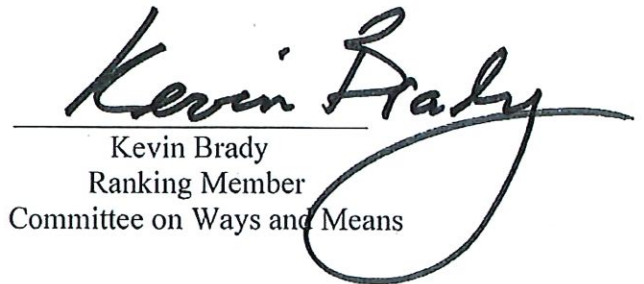
through an AEOB despite the date specified by Congress. We are concerned that without a strict implementation deadline, payers and providers will not work toward expanding the current data transfer technology framework to ensure full compliance with the law. This provision was enacted to bring unprecedented transparency to patients about the cost of their health care, and delaying its implementation will leave patients vulnerable.

We understand that implementing the No Surprises Act to end the practice of surprise medical billing in a year is no small task, and that complexities exist as your individual Departments work together, but we must remain steadfast in ending this predatory practice. We request a written follow-up explaining how the regulation issued last week establishing the IDR process and designing a new test for how factors should be considered comports with the law Congress enacted. We are also requesting a timeline for full implementation that declares interim plans to build on current technology available to allow for implementation of these patient protections, specifically the AEOB and true and honest cost estimate, as soon as practicable. Finally, we ask that you revisit this interim final rule and consider adjustments that better align with the law Congress enacted.

Sincerely,



Richard E. Neal  
Chairman  
Committee on Ways and Means



Kevin Brady  
Ranking Member  
Committee on Ways and Means