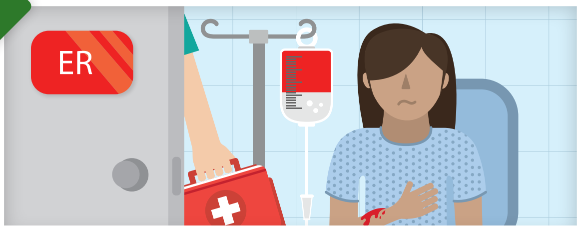
Keep Patients

#OutoftheMiddle

How "baseball-style" independent dispute resolution (IDR) can eliminate "surprise bills" for out-of-network (OON) emergency care.

This model encourages **fair physician claims and insurer payments from the start**, as both sides risk additional expense if taken to IDR.

1 Patient Receives OON ER Care

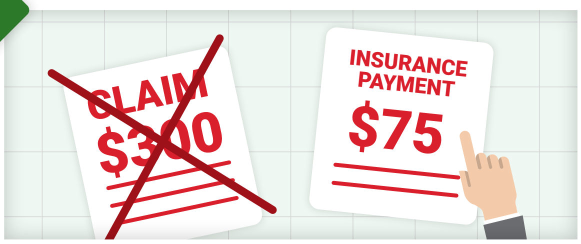


ER physicians are required by law to treat all patients regardless of insurance network status.

2 Physician Submits Claim For Payment

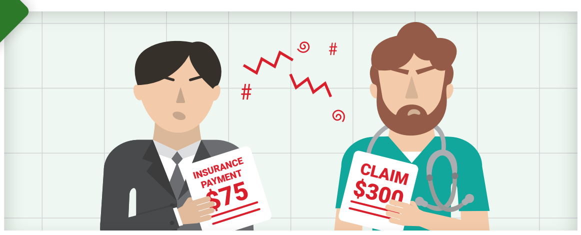
ER physician submits claim to patient's insurer. The patient is only responsible for any costs as if in-network, and is **now out of the middle.**

3 Insurer Underpays Physician



Insurers generally don't pay the full claim for OON care, and sometimes offer only a low-ball amount.

4 Physician Takes Insurance Company to IDR

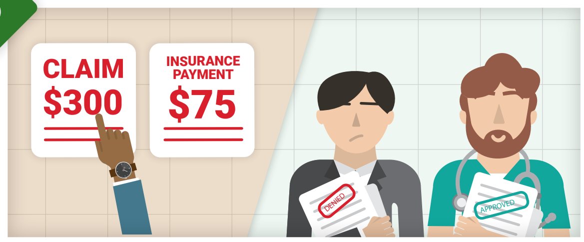


If both sides can't agree on a fair payment, either party can take the dispute to IDR which is done via online submission.

5 Independent Review

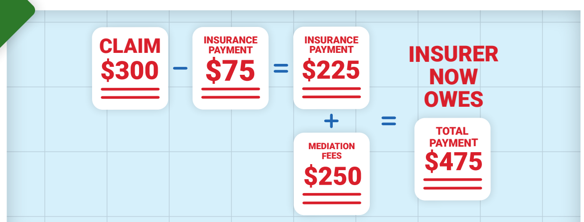
An impartial reviewer evaluates both the physician's claim and the insurer's payment.

6 Impartial Reviewer Decision



The reviewer makes a final decision and picks **only one**.

7 Loser Pays



The loser has to make the other side whole **and** pay for the mediation fee (typically $200-300).

In NY in 2018, only **849 out of about 7.5 million ER cases went to IDR**, since fair claims and payments are encouraged from the start.

ER VISITS	IDR VISITS	% OF CASES GOING TO IDR
7,500,000	849	0.0113%

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Independent Dispute Resolution: The Best Federal Solution to Protect Patients from Surprise Billing

Simple and Effective. In states such as New York, baseball-style independent dispute resolution (IDR) has almost eliminated surprise bills, **without any added bureaucracy or cost,** and dramatically increased in-network participation by providers.

Efficient and Easy. Either the physician or insurance company can easily file or respond to IDR online, submitting any accompanying documentation they choose to include. And because IDR uses an independent reviewer to evaluate the claims and make a decision, lawyers won't be involved.

Rarely Invoked. Yet despite its simplicity, IDR is not often used. Since the losing party must pay the cost of IDR (estimates range between $225-$325), it instead serves as a powerful backstop, providing a strong incentive for both insurers and providers to set fair payments and prices right from the start. In NY in 2018, only 849 out of the 7.5 million emergency visits that year were taken to IDR—that's just .0113%.

69 percent of Americans prefer a third-party resolution process over allowing the government to set doctors' rates.

Poll conducted by Morning Consult May 31 - June 1, 2019

Fast. Baseball-style IDR is fast – each party submits only a final offer, and in most states that use the process, the IDR reviewer is required to make a decision within 30 days.

Targeted. Unlike benchmarking to a median contracted rate, this market-based approach solves the problem of surprise medical bills related to out-of-network care without disrupting the broader market. This should not be confused with other federal arbitration proposals being considered as part of drug pricing discussions - the only parties involved in the IDR process are the physician and the insurer, *not* the government, and **never the patient**.

Localized. IDR as a federal solution to addressing surprise medical bills won't require any expansion of federal authority or new infrastructure—its implementation and operation can be handled by states, if they so choose, or by a designated private entity such as the American Arbitration Association.