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### **RELEASE DATE**

JUNE 11, 2024

#### THE EMERGENCY DEPARTMENT PRACTICE MANAGEMENT ASSOCIATION REPORTS SIGNIFICANT CHALLENGES IN NO SURPRISES ACT IMPLEMENTATION AND COMPLIANCE

Emergency medicine physician groups report a 39% reduction in out-of-network reimbursement in 2023.

**WASHINGTON, DC JUNE 2024** - The Emergency Department Practice Management Association (EDPMA) released new data analyzing the impact and compliance issues of the *No Surprises Act* (NSA) since its implementation on January 1, 2022. This data highlights ongoing challenges faced by emergency physicians and highlights broader implications for patient access to emergency care.

Access survey findings here.

# Key Findings from EDPMA Survey

### **Reimbursement Reductions**

Emergency medicine physician groups experienced a 39% reduction in net collections per patient visit for Out-of-Network (OON) claims in 2023 compared to 2021.

This decrease in commercial health plan reimbursement is occurring despite consistent demands for high-quality clinical care and exacerbates existing workforce shortages and workplace strain. These dramatic declines in commercial reimbursement are occurring against the backdrop of Medicare fee schedule cuts and the lack of an inflation adjustment to the Medicare physician fee schedule.

#### Limited Use of Independent Dispute Resolution (IDR)

Only 33% of eligible OON claims were submitted to the Federal IDR process. The remaining 67% of eligible claims did not enter the IDR process due to various practice limitations.

#### The Clinician's Offer for Payment in OON Scenarios Is Reasonable

Clinicians prevailed in 73% of IDR disputes, closely aligning with the <u>71% success rate</u> reported by the Departments of Health and Human Services, Labor, and Treasury for Q1 and Q2 2023.

This suggests that, almost three-fourths of the time, an independent dispute resolution expert finds that the clinicians' reimbursement offers are more reasonable than those of health plans.

#### Independent Dispute Resolution Process Delays

Only 7.6% of filed disputes have been resolved. The average age of disputes is 211 days (about 7 months).

These delays significantly hamper resources and cash flow for emergency medicine practices and pose significant risks for patients' timely access to care.

#### Non-Payment and Underpayment by Health Plans

When IDR disputes result in payments owed by health plans to providers, 24% were either unpaid or paid incorrectly within the 30 business days required by statute.

This level of non-compliance further impedes cash flow for physician practices and undermines their stability, which ultimately risks timely patient access to care.

Health plan non-compliance also undermines the careful balance that Congress created in the *No Surprises Act,* which provides a process for aggrieved parties to obtain fair reimbursement for clinical services.

#### Health Plan Non-Compliance with NSA Requirements

82% of OON claims did not attest to the correct calculation of the Qualifying Payment Amount (QPA), and 56% did not include the required inflationary adjustments.

Health plan noncompliance with the *No Surprises Act* statute and regulation requirements continues to impede the outcomes designed by Congress.

### Increased Patient Cost Sharing After Health Plans Lose an IDR Dispute

50% of respondents reported that health plans at times increased patient cost-sharing amounts after an IDR determination.

This practice is one of the most concerning violations of the *No Surprises Act*, which is intended to protect patients from certain financial consequences of their health care.

### Inadequate Government Response to Complaints

EDPMA survey respondents submitted 19,047 complaints to relevant federal departments in 2023, with only 1.3% of these complaints being resolved.

The dramatic lack of response continues to threaten the effectiveness of the *No Surprises Act* and prevents important dialogue and solutions to recognized problems with the NSA's implementation.

### **Network Instability**

Many respondents experienced termination of existing in-network commercial health plan contracts, or renewed contracts with reduced rates.

This instability is driven by health plans using non-market-based QPA calculations, forcing physicians out of network or into accepting lower rates, and drives higher utilization of the independent dispute resolution process.

### Conclusion

The Emergency Department Practice Management Association and its members fully support the *No Surprises Act's* intent of protecting patients from unexpected medical expenses.

However, effective implementation requires fair reimbursement for timely, high quality and sustainable emergency care and strict adherence to the law and regulations by all parties, including health plans.

EDPMA calls for <u>enhanced enforcement of the *No Surprises Act*</u> statute and associated regulations and prompt resolution of compliance issues to sustain the healthcare safety net for all patients. This is <u>not our first call</u> for such essential enforcement, which proves that the ongoing failures in effective enforcement continue to undermine the success of the program.

## About EDPMA

The Emergency Department Practice Management Association (EDPMA) is dedicated to the sustainable delivery of high-quality, cost-effective patient care in emergency departments. EDPMA members represent approximately 60% of all annual U.S. emergency department visits. <u>https://edpma.org</u>