



AMA v. HHS (D.D.C.)

Topics Covered: Payment Issues, No Surprises Act

Issue

The issue in this case was whether the federal government violated the Administrative Procedure Act by issuing a rule that favored health insurers in the dispute resolution process under the No Surprises Act.

AMA Interest

The AMA believes that any legislation addressing surprise out-of-network medical bills should use an independent, non-conflicted database of commercial charges. Out-of-network payments should not be based on rates determined by the insurance company.

Case Summary

Passed by Congress in 2020, the No Surprises Act provides federal protections against surprise billing and limits out-of-network cost sharing under many of the circumstances in which surprise bills arise most frequently.

The statutory language of the No Surprises Act established a process to resolve payment disputes between physicians and insurers for certain unanticipated out-of-network medical bills, using several different criteria.

On September 30, 2021, the Biden administration released an interim final rule regarding implementation of the No Surprises Act and the dispute resolution process between physicians and insurers. In part, the rule created a rebuttable presumption that the insurers' qualifying payment amount is the appropriate payment rate. This presumption would allow insurers to rely almost exclusively on the insurers' self-determined median in-network billing rate, while only secondarily considering the multitude of factors called for under the law.

On December 9, 2021, the AMA, American Hospital Association, and others filed a lawsuit to enjoin and vacate the narrow part of the rule that presumes that the insurers' rate is the correct rate. The lawsuit seeks to leave the patient protections enshrined in the No Surprises Act intact while contending that the interim final rule is at odds with the text of the law.

In August 2022, the Biden administration released a new final rule addressing several of the AMA's concerns. In light of the new rule, the AMA voluntarily dismissed its suit against the federal government.

Litigation Center Involvement

The AMA was a plaintiff in this lawsuit.

Complaint