



TaxNewsFlash

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Final regulations: Modifications to federal independent dispute resolution (IDR) process under No Surprises Act

The U.S. Treasury Department and IRS—along with the Department of Labor (DOL), the Department of Health and Human Services (HHS), and the Office of Personnel Management (OPM)—issued final regulations ([T.D. 10049](#)) modifying the federal independent dispute resolution (IDR) process under the No Surprises Act to increase operational efficiency, establish a centralized registry, and reduce the administrative fee to \$15 per party.

Background

The No Surprises Act, enacted as part of the Consolidated Appropriations Act, 2021 (CAA), established protections against surprise medical billing and created the federal IDR process to resolve payment disputes under section 9816 and section 9817. Since the launch of the federal IDR portal in April 2022, the volume of initiated disputes has significantly exceeded initial projections, with over 5.1 million disputes submitted as of January 31, 2026. This high volume, combined with a high rate of ineligible dispute submissions and successive federal court rulings, prompted the departments to issue these final regulations to improve dispute processing and communication.

Final regulations

The regulations finalize:

- New requirements relating to the disclosure of information that group health plans and insurance issuers offering group or individual health insurance coverage must include along with the initial payment or notice of denial of payment for certain items and services subject to the surprise billing protections in the No Surprises Act
- Amendments to certain requirements related to the open negotiation period preceding the federal IDR process, the initiation of the federal IDR process, the federal IDR dispute eligibility review process, and the payment and collection of administrative fees and certified IDR entity fees
- The definition of bundled payment arrangements, amends requirements related to batched items and services and amends the rules for extensions of timeframes due to extenuating circumstances
- Provisions that require plans and issuers to register in the federal IDR portal

In addition, the final regulations require plans and issuers to communicate information by using claim adjustment reason codes (CARCs) and remittance advice remark codes (RARCs), as specified in guidance, when providing any paper or electronic remittance advice (ERA) to an entity that does not have a contractual relationship with the plan or issuer.

Effective dates and applicability

The final regulations are generally effective August 3, 2026 (60 days after the scheduled Federal Register publication on June 4, 2026). However, the lowered administrative fee of \$15 per party per dispute is effective June 11, 2026.

The new batching rules and the requirements for the exchange of open negotiation, dispute initiation, and certified IDR entity selection notices will apply to disputes with open negotiation periods beginning 90 days after the departments announce that the corresponding portal functionality is available.

The registry registration requirement will apply 90 business days after the federal IDR registry becomes available.

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