



## DEPARTMENT OF HEALTH AND HUMAN SERVICES

---

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Consumer Information and Insurance Oversight  
200 Independence Avenue SW  
Washington, DC 20201

**Date:** 12-21-2021

**From:** Centers for Medicare & Medicaid Services (CMS), Center for Consumer Information and Insurance Oversight (CCIIO)

**Subject:** Patient-Provider Dispute Resolution (PPDR) Administrative Fee as Established in Surprise Billing, Part II; Interim Final Rule with Comment Period (CMS 9908-IFC)

---

### Summary

Effective January 1, 2022, the No Surprises Act<sup>1</sup> (NSA) protects uninsured (or self-pay) individuals from many unexpectedly high medical bills. The NSA establishes a new patient-provider dispute resolution (PPDR) process which allows uninsured (or self-pay) individuals a path to challenge medical bills that are at least \$400 more than the initial good faith estimate.

This document details the administrative fee that uninsured (or self-pay) individuals must submit to participate in the process. For 2022, the cost to initiate a PPDR case is \$25.

### Background

Beginning on January 1, 2022, health care providers and facilities (throughout this document, the term “providers” also includes providers of air ambulance services) will be required to provide uninsured (or self-pay) individuals a **good faith estimate** of expected charges when an item or service is scheduled, or upon request by an uninsured (or self-pay) individual.

A new patient-provider dispute resolution (PPDR) process will be available for uninsured (or self-pay) individuals who get a bill for an item or service that is substantially greater than the expected charges on the good faith estimate. See the [guidance on good faith estimates and PPDR for uninsured \(or self-pay\) individuals](#) for more details and requirements for the good faith estimate and the PPDR process.

Note: An uninsured (or self-pay) individual is an individual who does not have health benefits for an item or service under a group health plan, group or individual health insurance coverage offered by a health insurance issuer, federal health care program (as defined in section 1128B(f) of the Social Security Act), or a health benefits plan under chapter 89 of title 5, United States Code (or an individual who has benefits for an item or service under a group health plan or individual, or group health insurance coverage offered by a health insurance issuer, or a health benefits plan

---

<sup>1</sup> Enacted as part of the Consolidated Appropriations Act, 2021 (Pub. L. 116-260).

under chapter 89 of title 5, United States Code, but does not seek to have a claim for such item or service submitted to such plan or coverage).

On October 7, 2021, HHS published interim final rules titled *Requirements Related to Surprise Billing; Part II*,<sup>2</sup> implementing various provisions of the No Surprises Act (NSA), including good faith estimates and the PPDR process for payment determinations that will generally apply to good faith estimates requested on or after January 1, 2022 or for good faith estimates required to be provided in connection with items or services scheduled on or after January 1, 2022. The *Requirements Related to Surprise Billing; Part II* also specify that HHS will assess an administrative fee on the non-prevailing party (providers, facilities, or uninsured (or self-pay) individuals) in a PPDR process, and that the amount of the administrative fee will be specified by HHS through guidance.

### **Establishment of an Administrative Fee**

Section 2799B-7 of the Public Health Service Act (PHS Act) requires that the Secretary of HHS establish an administrative fee to participate in the PPDR process in such a manner as to not create a barrier to an uninsured (or self-pay) individual to participate in such process.

This guidance outlines the PPDR administrative fee process for uninsured (or self-pay) individuals and providers and facilities for 2022, as described in *Requirements Related to Surprise Billing; Part II*. This guidance also announces the PPDR administrative fee amount for calendar year 2022.

### **Administrative Fee Process**

Under the *Requirements Related to Surprise Billing; Part II*, an uninsured (or self-pay) individual (i.e., the initiating party) may initiate the PPDR process by submitting an initiation notice to the Secretary of HHS and then paying the administrative fee to the Selected Dispute Resolution (SDR) entity once the Secretary of HHS assigns an SDR entity. An uninsured (or self-pay) individual can submit their administrative fee electronically or via mail<sup>3</sup> to the SDR entity. In cases in which the uninsured (or self-pay) individual prevails in dispute resolution, the SDR entity will apply a reduction equal to the administrative fee paid by the individual, to the amount the individual must pay the provider or facility for the items or services. In cases where the provider or facility prevails in the dispute resolution, the SDR entity will not reduce the payment amount by an amount equal to the amount of the administrative fee paid by the uninsured (or self-pay) individual.

The SDR entity must remit all administrative fees collected to the Secretary of HHS upon receiving an invoice from HHS.

### **Administrative Fee in the Event of a Settlement Prior to Determination**

HHS recognizes that the two parties to the PPDR process (the uninsured (or self-pay) individual and the provider or facility) may agree to resolve the dispute by settling on a payment amount.

---

<sup>2</sup> <https://www.govinfo.gov/content/pkg/FR-2021-10-07/pdf/2021-21441.pdf>

<sup>3</sup> An uninsured (or self-pay) individual can submit payment in the form of a money order, cashiers check, or electronic third-party payment as specified by the SDR entity (e.g. Credit card, Debit card, or payment apps); however, cash and personal checks are not acceptable forms of payment.

At any point after the PPDR process has been initiated but before the date on which a determination is made by the SDR entity, the parties can settle the payment dispute through either an offer of financial assistance or an offer to accept a lower amount, or an agreement by the uninsured (or self-pay) individual to pay the billed charges in full.

In the event that the parties agree to settle on a payment amount, the provider or facility should notify the SDR entity through the online federal Independent Dispute Resolution (IDR) portal, electronically, or in paper form, as soon as possible, but no later than 3 business days after the date of the agreement. If submitted in a paper form, documentation must be postmarked no later than 3 business days after the date of the agreement. Among other requirements, the settlement notice must document that the provider or facility has applied a reduction to the uninsured (or self-pay) individual's settlement amount that is equal to at least half the amount of the administrative fee. Once the SDR entity receives the notification of the settlement, the SDR entity shall close the PPDR case as settled and the agreed upon payment amount will apply. Any administrative fees collected by the SDR entity but not yet paid to the Secretary of HHS at the time the SDR entity closes the dispute resolution case must be remitted to the Secretary of HHS upon receiving an invoice by HHS.

### **Administrative Fee for Calendar Year 2022**

In setting the administrative fee for 2022, HHS considered expected costs to HHS for operating the PPDR program, including contractor costs, and costs to HHS for utilizing the federal IDR portal for PPDR cases. Due to the requirements in PHS Act section 2799B-7 that such an administrative fee must not pose a burden for uninsured (or self-pay) individuals to participate in the PPDR process, **HHS will assess a \$25 administrative fee, for the calendar year beginning January 1, 2022, on the non-prevailing party (providers, facilities, or uninsured (or self-pay) individuals) to the PPDR process.** HHS believes this amount will allow HHS to offset some of the costs of operating the PPDR process while keeping the administrative fee sufficiently low to ensure uninsured (or self-pay) individuals are able to access the PPDR process.

HHS intends to evaluate PPDR case volume, contract costs, and other federal costs for the program and may adjust this fee in subsequent years through guidance to ensure that the fee amount mitigates overutilization of the PPDR process, offsets some of HHS's costs of operating the PPDR process, and also does not pose a prohibitive burden for uninsured (or self-pay) individuals to participate in the PPDR process.

For additional resources to help with the PPDR process, please see <https://www.cms.gov/nosurprises/consumers>

*This communication was printed, published, or produced and disseminated at U.S. taxpayer expense. The contents of this document do not have the force and effect of law and are not meant to bind the public in any way, unless specifically incorporated into a contract. This document is intended only to provide clarity to the public regarding existing requirements under the law.*