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Hospital and Physician Groups File Lawsuit Over No Surprises Act Final Rules That Jeopardize Patient Access to Care

AHA and AMA file suit with two health systems and two physicians

The American Hospital Association (AHA) and American Medical Association (AMA) sued the federal government today over the misguided implementation of the federal surprise billing law. The associations are joined in the suit by hospital and physician plaintiffs, including Renown Health, UMass Memorial Health and two physicians based in North Carolina.

The lawsuit challenges a narrow but critical provision of a rule issued on Sept. 30, 2021, by the Department of Health and Human Services and other agencies. The provision being challenged ignores requirements specified in the No Surprises Act and would result in reduced access to care for patients. The rule and this flawed provision are set to take effect Jan. 1, 2022.

The AHA, AMA and our member organizations strongly support protecting patients from unanticipated medical bills and were instrumental in passing the landmark No Surprises Act to protect patients from billing disputes between providers and commercial health insurers.

The legal challenge became necessary because the federal regulators' interpretation upends the careful compromise Congress deliberately chose for resolving billing disputes. According to the lawsuit, the new rule places a heavy thumb on the scale of an independent dispute resolution process, unfairly benefiting commercial health insurance companies. The skewed process will ultimately reduce access to care by discouraging meaningful contracting negotiations, reducing provider networks, and encouraging unsustainable compensation for teaching hospitals, physician practices and other providers that significantly benefit patients and communities.

Importantly, today's challenge does not prevent the law's core patient protections from moving forward and will not increase out-of-pocket costs to patients. It seeks only to force the Administration to bring the regulations in line with the law before the dispute negotiations begin.

“No patient should fear receiving a surprise medical bill,” said AHA President and CEO Rick Pollack. “That is why hospitals and health systems supported the No Surprises Act to protect patients and keep them out of the middle of disputes between providers and insurers. Congress carefully crafted the law with a balanced, patient-friendly approach and it should be implemented as intended.”

For more details on the lawsuit, see a copy of the [complaint](#). In addition, hospital and health system leaders can access more information and resources related to the regulations implementing the No Surprises Act on AHA’s [webpage](#).

Further Questions

If you have questions, please contact AHA at 800-424-4301.