

LEGAL UPDATE

New Final Rule on IDR Process Operations: Key Takeaways



On June 4, 2026, the U.S. Departments of Labor, Health and Human Services, and the Treasury (Departments) issued a long-awaited [final rule](#) to improve operations of the federal independent dispute resolution (IDR) process under the [No Surprises Act](#) (NSA). The final rule's provisions become effective at different times, with many key operational changes, including the new IDR registry, delayed until new functionality is in place.

Provider payment disputes, including those subject to the IDR process, are typically handled by a health plan's third-party administrator (TPA) or health insurance issuer, as applicable, without employer involvement. Although employers are not directly impacted by these operational changes to the federal IDR process, they should monitor their plan's IDR activity as part of their fiduciary duties, including analyzing any reports from their TPA or issuer on IDR disputes involving the plan. Employers with self-insured health plans should also confirm that their TPA complies with the IDR registration requirement once the registry becomes available.

Background

The NSA provides federal protections against surprise medical billing by limiting out-of-network cost sharing and prohibiting "balance billing" in many of the circumstances in which surprise medical bills most frequently arise. The NSA's protections apply to three categories of medical services: emergency services received in a hospital's emergency department or an independent, freestanding emergency department; nonemergency services provided by an out-of-network provider during a visit at an in-network health facility; and air ambulance services provided by an out-of-network provider of air ambulance services.

The NSA also established the IDR process to resolve payment disputes between health plans or issuers and out-of-network providers when a specified state law or an applicable [all-payer model agreement](#) does not provide a method for determining the payment amount. The federal IDR process has received more than 5 million payment disputes since it was launched in April 2022, far exceeding the Departments' expectations and creating significant delays and costs.

Final Rule

The final rule focuses on improving how the IDR process works by removing bottlenecks that create delays and inefficiencies. The final rule does not make any changes to the NSA's protections against surprise medical bills or the methodology for calculating out-of-network payment amounts. Key changes include the following:

- **Administrative fee:** The final rule reduces the nonrefundable administrative fee for participating in the IDR process from \$115 to **\$15 per party, per dispute**. The new \$15 fee applies to disputes initiated on or after June 11, 2026;
- **Payer registration:** The final rule creates a **new IDR registry** for self-insured health plans and issuers offering group or individual health insurance coverage. Each self-insured health plan and issuer will be assigned an IDR registration number. According to the Departments, this registration number will make it easier for parties initiating disputes to acquire the information needed to ensure those disputes are eligible for the federal IDR

process, distinguish between different types of coverage and resolve information-sharing issues. Payers must register **within 90 days** of when the registry becomes available;

- **Open negotiation through federal portal:** The NSA and its implementing regulations established a 30-business-day open negotiation period to provide payers and providers with an opportunity to agree on an appropriate payment rate without resorting to the IDR process. The Departments have received numerous reports that payers and providers are not meaningfully engaging in open negotiation before proceeding with IDR. The final rule makes several changes to the open negotiation requirements to improve the exchange of information between disputing parties, including moving the process to the federal IDR portal once this functionality is available;
- **Batching rules:** The NSA and its implementing regulations give initiating parties the ability to include multiple items or services as separate payment determinations in a single dispute (referred to as a “batched dispute”) to minimize costs. The final rule makes numerous changes to the batching rules, including increasing the number of items and services that can be included in a single dispute from 25 to 50 and allowing providers to batch claims based on single-patient encounters and certain service code ranges. The final rule’s changes to the batching rules are applicable for disputes with open negotiation periods beginning on or after Nov. 1, 2026; and
- **Disclosure and remittance code requirements:** The final rule requires health plans and issuers to communicate information to providers by using specific claim adjustment reason codes (CARCs) and remittance advice remark codes (RARCs) when they provide any paper or electronic remittance advice to an entity that does not have a contractual relationship with the payer. The Departments intend to issue further guidance to implement the CARC and RARC requirements.