

CMS Federal Independent Dispute Resolution Operations Final Rule

Top Five Operational Changes

Final Rule: CMS-9897-F

Executive Takeaway

The final rule is intended to make the No Surprises Act Federal IDR process more structured, transparent, and administratively workable. For hospitals and health systems, the most important implications are earlier payer-identification requirements, more formal open negotiation procedures, tighter IDR initiation and eligibility rules, a more disciplined batching framework, and a new Federal IDR registry paired with a lower administrative fee.

Bottom line: hospitals should review revenue-cycle workflows now so claims, remittance data, open negotiation notices, batching practices, and IDR submissions are aligned with the new operational requirements.

Top Five Changes

Change	What CMS Finalized	Executive Implication
1. Standardized payer disclosures	Plans and issuers must provide clearer information with initial payment or denial, including standardized CARC/RARC coding, legal business names, and Federal IDR registration information once available.	Improves early visibility into whether a claim may qualify for Federal IDR and reduces disputes filed against the wrong entity.
2. Portal-based open negotiation	Open negotiation notices must be submitted through the Federal IDR portal. The 30-business-day negotiation period begins when the required notice and supporting documentation are submitted.	Creates a documented start date and makes open negotiation more formal, trackable, and auditable.
3. More prescriptive IDR initiation and response	IDR initiation notices must include more detailed party and claim information. The non-initiating party must respond within 3 business days and address eligibility and certified IDR entity selection.	Requires faster front-end review of eligibility, documentation, representation authority, and preferred IDR entity strategy.
4. Revised batching framework	Up to 50 qualified IDR items or services may be included in a single determination when batching requirements are satisfied. CMS also shortens the batched-dispute cooling-off period to 30 business days.	May improve efficiency for high-volume disputes, but incorrect batching will carry more operational risk after the transition period.
5. Federal IDR registry and lower fee	CMS establishes a Federal IDR registry for plans, issuers, FEHB carriers, and applicable self-insured plans. CMS also lowers the Federal IDR administrative fee to \$15 per party per dispute.	Registry data should reduce payer-identification problems; the lower fee may make IDR more accessible, including for lower-dollar disputes.

Operational Considerations for Health System Leaders

- **Revenue cycle readiness:** Hospitals should confirm that remittance-advice data capture can identify CARC/RARC codes, payer legal names, self-insured plan sponsor names, and Federal IDR registration numbers once plans begin registering.
- **Open negotiation workflow:** Teams should establish a standard process for submitting open negotiation notices through the Federal IDR portal and preserving supporting documentation at the start of the 30-business-day negotiation window.
- **Eligibility review discipline:** Because the non-initiating party must respond quickly after IDR initiation, providers should be prepared to document NSA applicability, claim-level facts, and any basis for challenging payer eligibility assertions.
- **Batching governance:** High-volume providers should develop batching protocols by service code, encounter, and eligible specialty categories, with quality checks before submission.
- **Financial strategy:** The lower administrative fee may change the economics of pursuing smaller disputes, but health systems should still weigh staff time, vendor fees, certified IDR entity fees, and expected recovery.

Suggested Executive Actions

- Direct revenue-cycle leadership to assess whether current remittance, claim-denial, and IDR tracking systems can capture the additional payer-identification fields required by the rule.
- Update internal Federal IDR playbooks to reflect portal-based open negotiation, the 15-business-day response expectation during open negotiation, and the 3-business-day response requirement after IDR initiation.
- Review vendor and outside-counsel workflows for batching, eligibility review, and certified IDR entity selection so submissions are complete and defensible on first filing.
- Reassess the financial threshold for pursuing IDR in light of the lower \$15 administrative fee, while accounting for staff and certified IDR entity costs.

Source: Centers for Medicare & Medicaid Services, Federal Independent Dispute Resolution Operations Final Rule, CMS-9897-F, available at [cms.gov/files/document/federal-independent-dispute-resolution-operations-cms-9897-f.pdf](https://www.cms.gov/files/document/federal-independent-dispute-resolution-operations-cms-9897-f.pdf).
