Surprise Billing Data Errors Magnified as Total Spending Grows

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- The latest federal data on arbitration payouts for surprise medical bills shows nine awards to medical providers exceeding $200 million each, with mistakes in large datasets complicating public monitoring of the process.

- A number of the outlier awards are errors, according to multiple arbitrator sources, with at least five awards topping $200 million, and some high-dollar awards have since been corrected by the individual parties responsible.

- Scrutiny on the individual payouts is growing as the results start to seep into insurance premium increases, with both Oxford Health Insurance Inc and UnitedHealthcare Insurance Company of NY citing surprise billing arbitration in requests to increase premiums in New York for 2027.

The latest federal data on arbitration payouts for surprise medical bills shows nine awards to medical providers exceeding $200 million each, highlighting how likely errors are complicating public monitoring of a process that's increasingly putting pressure on insurance premiums.

The Centers for Medicare & Medicaid Services last month released the data under the No Surprises Act, which requires doctors and insurers to undergo a strict arbitration procedure to settle most unexpected out-of-network bills. Participation in the program has grown exponentially since its inception in 2022, and the volume of dollars flowing through the process has too.

Mistakes in large datasets are common, but the apparent gulf between the reported and actual figures in those nine awards are amplified as scrutiny grows on alleged abuses. A number of the outlier awards are errors, multiple arbitrator sources told Bloomberg Law, including at least five awards topping $200 million. The nine awards ranged from $203,034,904 to $263,442,351. The reported median in-network rate for those services, by contrast, ranged from $73.26 to $1,987.77.

A CMS spokesperson said some high-dollar awards have since been corrected by the individual parties responsible and will be reflected in the next quarter's data. "CMS is committed to publishing accurate and transparent information about the No Surprises Act," the spokesperson said.

Scrutiny on the individual payouts is growing along with the value of the awards, as the results start to seep into insurance premium increases.

Both Oxford Health Insurance Inc. and UnitedHealthcare Insurance Company of NY cited surprise billing arbitration in **requests to increase premiums** in New York for 2027, according to healthcare think tank KFF. Mercer, a consultant that works with employers on healthcare programs, **said** last month that the IDR process is increasing employers' medical spend by 2%.

That makes the accuracy of the numbers—particularly extreme outliers—important.
"If those dollars are real, they've got to go somewhere," said Carol Skenes, chief of staff at data firm Turquoise Health. "And if they're not real, then we still want to know what the impact is, so that we can do a little bit more cost planning."

Topline Figures

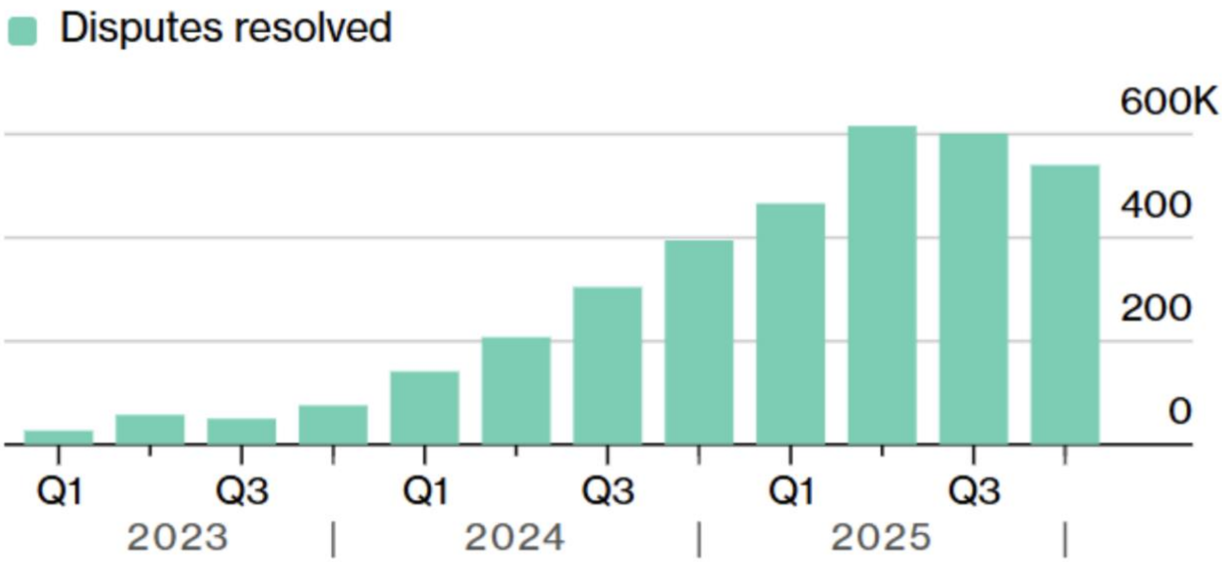
The good news is that discrepancies in the individual awards usually don't affect the overall total that much, said Jack Hoadley, research professor emeritus at Georgetown University's Center on Health Insurance Reforms. Hoadley said many award amounts in the CMS data are missing altogether.
CMS has a process for reopening cases to correct mistakes. The errors are typically corrected before they're paid, but aren't always corrected in the files. Doctors and insurers can enter the wrong number into the wrong field, for example, or choose the wrong option from a drop-down menu.

"Any large datasets like this, there's lots of data editing processes that you have to go through," Hoadley said. "There's nothing really unusual about these problems."

Turquoise Product Leader Leland Robbins, who oversees the company's surprise billing data dashboard, said he occasionally excludes extreme outliers that "don't smell right," but the topline figures remain the same.

"When we look at medians and we look at clusters, I don't think it takes away from the accuracy of the picture in general," he said.

Dispute Resolution Workload Grew in 2025



Note: Some disputes are reopened in later quarters for corrections; only the first occurrence of a reopened dispute is counted, in its original quarter of resolution.
Source: Centers for Medicare & Medicaid Services
Bloomberg Law

The number of errors likely increases with the number of disputes.

CMS initially projected doctors and insurers would collectively file fewer than 23,000 claims per year. Independent Dispute Resolution entities, as the arbitrators are known, adjudicated more than 2.2 million dispute resolution payments in 2025, according to a Bloomberg Law analysis. Providers are winning **85% of cases**, according to CMS, and a cottage industry of vendors has sprung up to aid them in filing disputes.

“Certainly in absolute numbers, more volume will mean more errors,” Hoadley said.

Surprise billing arbitration cost the healthcare system $22.4 billion from 2022 to 2025, according to a **study** Hoadley co-authored and released Wednesday. Arbitration cost $16.6 billion total in 2025, including payments that exceed in-network benchmarks as well as administrative costs and fees.

The number dwarfs the researchers’ previous estimate that arbitration had cost $5 billion as of 2024, driven by a 77% increase in the number of disputes and a 264% increase in the value of awards between 2024 and 2025.

Researchers expect that an improved arbitration portal will help cut down the number of errors by streamlining and standardizing data entry. But it would be helpful if CMS could release more information about mistakes given the issues and the public scrutiny, Hoadley said.

“It would be ideal if more information was made public about that,” he said.

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