Health Democrat Wants to Scrap Arbitration in Surprise Billing

Oct 8, 2026, 10:35 AM EDT – Bloomberg Government

Erin Durkin
Health policy reporter

A key health Democrat laid out his proposal Thursday to solve issues with a law that has protected patients from unexpected exorbitant medical bills.

The problem revolves around the arbitration process established in the No Surprises Act, signed into law in 2020. While the statute has successfully protected patients from surprise medical bills, the process to determine payments between health plans and healthcare providers has been mired in disputes.

Rep. Frank Pallone Jr. (D-N.J.), top Democrat on the House Energy and Commerce Committee, is **proposing** to scrap the dispute resolution process altogether and instead base payments on median contracted rates. It would also require payments to be issued within 30 days.

“A few bad actors — largely backed by private equity — are gaming the system, creating backlogs, delaying payments, and driving up premiums,” Pallone said in a statement. “The Lower Premiums, Faster Payments Act will replace the broken arbitration system with a fair and timely payment process that lowers people’s health insurance premiums.”

The measure indicates a starting point in possible lame duck negotiations to fix some of the problems that have emerged between health plans and healthcare providers since the enactment of the law. Sen. Bill Cassidy (R-La.), chair of the Health, Education, Labor and Pensions Committee in the Senate, said **he wants to put out legislation** before leaving Congress at the end of the year.

Stakeholders familiar with discussions at Senate round tables last month say that ineligible claims emerged as a possible area of common ground.

To contact the reporter on this story: **Erin Durkin** in Washington at **edurkin@bloombergindustry.com**