5 Things to Know About The Federal Independent Dispute Resolution (IDR) Operations Final Rule

TIBER CREEK GROUP

CMS Press Release / *CMS Fact Sheet* / *Text of Final Rule*

1. **CMS cut the per-party, per-dispute fee** to $15, a significant change from the existing fee of $115 and the proposed fee increase to $150 that CMS believes will make participation in IDR more accessible. The reduced fee could incentivize more parties to submit claims for IDR, potentially exacerbating capacity issues and backlogs, but CMS says efficiencies will be gained from a streamlined **IDR Gateway,** formalized **open negotiation,** and changes to **batching.**

2. **CMS' plans for the IDR Gateway** start to take shape under the final rule. The IDR Gateway, first announced in March of this year, will ultimately host open negotiation activities once operational, and payers will be required to register in the Gateway to improve traceability and communication. The IDR Gateway will launch in phases starting this year. The rule also **formalizes the open negotiation process**, setting requirements for timelines and activities from both parties, and introduces new data and communication requirements intended to reduce confusion between providers and payers.

3. **The rule revises batching flexibilities**, allowing batched claim disputes for items and services provided to a patient over consecutive days and for items and services billed under the same service code. Batches are newly limited to 50 line items (up from 25, as proposed) in order to prevent overwhelming IDR entities.

4. **IDR entities are still responsible for determining dispute eligibility** for the IDR process, as the Administration did not finalize a provision to handle the determination process internally as an agency function. The final rule does require arbiters to determine whether a claim is valid and eligible for IDR within five days, which could speed the process. Reducing the number of ineligible disputes by improving communication between parties should help address IDR bottlenecks, CMS says.

5. **Stakeholders waited years** for the final rule after the proposed rule was issued in 2023 by the Biden Administration. Both provider and payer stakeholders applauded the rule's reforms to the operational elements of IDR, but some payer groups, like AHIP and others, want the Administration to go farther to address alleged gaming and abuse in the IDR system.