



Understanding the Good Faith Estimate and Patient-Provider Dispute Resolution Process



February 2022

This presentation is intended as a general informal summary of technical legal standards. It is not intended to take the place of the statutes, regulations, and formal policy guidance that it is based upon. This presentation summarizes policy and operations current as of the date it was presented. Links to certain source documents have been provided for reference. We encourage audience members to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information about the requirements that apply to them. The contents of this document do not have the force and effect of law and are not meant to bind the public in any way, unless specifically incorporated into a contract. This document is intended only to provide clarity to the public regarding existing requirements under the law.

Summary

- The No Surprises Act requires that health care providers and facilities give uninsured (or self-pay) individuals an estimate for the cost of their health care when scheduling the item or service or upon request (also known as a good faith estimate).
- If, after receiving the items or services, the uninsured (or self-pay) individual is billed for an amount at least \$400 above the good faith estimate, the individual may be eligible to dispute the bill through the patient-provider dispute resolution (PPDR) process by submitting a request to HHS and paying a small administrative fee (set to \$25 in 2022).

Good Faith Estimates for Uninsured (or Self-pay) Individuals

- A consumer is generally considered an uninsured or self-pay individual if they do not have health insurance or do not plan to use their insurance to pay for a medical item or service.
- If a consumer is an uninsured or self-pay individual, a provider or facility must give the consumer a “good faith estimate” detailing what they may be charged **before** they receive the item or service.

Good Faith Estimates for Uninsured (or Self-pay) Individuals (Cont.)

The good faith estimate will include:

- A list of items and services that the scheduling provider or facility reasonably expects to provide the consumer for that period of care.
- Beginning in 2023, a list of items and services and their associated costs that can be reasonably expected to be given to the consumer by another provider or facility involved in the consumer's care (a co-provider or co-facility).
- Applicable diagnosis codes and service codes.

Good Faith Estimates for Uninsured (or Self-pay) Individuals (Cont.)

- Expected charges or costs associated with each item or service from each provider and facility.
- A notification that if the billed charges are higher than the good faith estimate, a consumer can ask their provider or facility to update the bill to match the good faith estimate, ask to negotiate the bill, or ask if there is financial assistance available.
- Information on how to dispute the bill if it is at least \$400 higher for any provider or facility than the good faith estimate the consumer received from that provider or facility.

Good Faith Estimates for Uninsured (or Self-pay) Individuals (Cont.)

- If a consumer gets a bill that is at least \$400 more for any provider or facility than the total expected charges for that provider or facility on the good faith estimate, there is a new patient-provider dispute resolution (PPDR) process available to the consumer.
- Under the PPDR process, consumers may request a payment review and decision from an independent company certified by HHS.
- The selected dispute resolution (SDR) entity will decide what amount the consumer must pay if the consumer's bill is at least \$400 more for any provider or facility than their good faith estimate from that provider or facility.

Does the PPDR Process Apply to People With Health Insurance?

The PPDR process is set up for:

- People without health insurance.
- People with health insurance who receive an item or service that isn't covered by their plan or coverage.
- People with health insurance who plan to **not use their plan or coverage** to pay for a portion or all of the costs for the item or service.

Note: Enrollees in federal health care programs (such as Medicaid, Medicare, or TRICARE) are not eligible to receive a good faith estimate, as there are other surprise billing protections under these programs.

Does the PPDR Process Apply to People With Health Insurance? (Cont.)

People **with health insurance** includes those with:

- A group health plan (a plan through their employer or union),
- Group or individual health insurance coverage offered by a health insurance issuer,
- A federal health care program (such as Medicaid, Medicare, or TRICARE), or
- A health benefits plan under a Federal Employees Health Benefits (FEHB) Program.

Does the PPDR Process Apply to People With Health Insurance? (Cont.)

Again, PPDR can only be used by people with health insurance if they received a good faith estimate because they:

- Received an item or service that isn't covered by their plan or coverage, or
- Planned not to use their plan or coverage to pay for a portion or all of the costs for the items or services.

Note that people with health insurance and who plan to file a claim with their health insurance will be able to receive an advanced explanation of benefits from their plans or issuers; however, HHS, along with the Departments of Labor and Treasury, have released guidance that defers the enforcement of the requirement to provide an advanced explanation of benefits until we engage in future rulemaking.

Where Can an Uninsured (or Self-pay) Individual Find Information About the Availability of a Good Faith Estimate?

- Consumers should find information about the availability of good faith estimates on their provider or facility's website, and
- In the provider or facility's office or on-site where consumers might schedule items or services or have questions about their costs.
- If consumers have questions about the cost of items or services, their provider or facility must inform them in writing or orally about requesting a good faith estimate.
- All of this information must also be available in accessible formats and languages.

When Can Consumers Expect a Good Faith Estimate?

- If a consumer schedules an item or service at least three business days before the date they will receive the item or service, they must be given a good faith estimate no later than one business day after scheduling.
- If a consumer schedules the item or service at least 10 business days before the date they will receive it or requests cost information about an item or service without scheduling the item or service, the provider or facility must give them a good faith estimate no later than three business days after scheduling or requesting.

Is the Good Faith Estimate a Bill?

No.

- The good faith estimate shows the costs of items and services that a consumer's provider or facility expects to charge them for an item or service.
- The estimate should be based on information known at the time the estimate was created and does not include any unknown or unexpected costs that may arise during the course of treatment.
 - For example, an individual could be charged more if complications or special circumstances occur.

How Will Consumers Identify Items or Services on the Good Faith Estimate?

On the good faith estimate, consumers should be able to locate a list of items and services, grouped by each provider or facility, that includes:

- Applicable diagnosis codes,
- Expected service codes,
- Expected charges associated with each listed item or service for the primary provider or facility (the main provider or facility the consumer is scheduling with), and
- Beginning in 2023, any expected charges associated with each listed item or service for the co-providers or co-facilities (the other providers or facilities who will also be a part of the consumer's care and bill you separately).

Good Faith Estimate Example

Details of Services and Items for [Provider/Facility 1]

Service/Item	Address where service/item will be provided	Diagnosis Code	Service Code	Quantity	Expected Cost
	[Street, City, State, ZIP]	[ICD code]	[Service Code Type: Service Code Number]		
Total Expected Charges from [Provider/Facility 1]					\$
Additional Health Care Provider/Facility Notes					

Disclaimer Example

Disclaimer

This Good Faith Estimate shows the costs of items and services that are reasonably expected for your health care needs for an item or service. The estimate is based on information known at the time the estimate was created.

The Good Faith Estimate does not include any unknown or unexpected costs that may arise during treatment. You could be charged more if complications or special circumstances occur. If this happens, federal law allows you to dispute (appeal) the bill.

Disclaimer Example (Cont.)

If you are billed for more than this Good Faith Estimate, you have the right to dispute the bill.

You may contact the health care provider or facility listed to let them know the billed charges are higher than the Good Faith Estimate. You can ask them to update the bill to match the Good Faith Estimate, ask to negotiate the bill, or ask if there is financial assistance available.

You may also start a dispute resolution process with the U.S. Department of Health and Human Services (HHS). If you choose to use the dispute resolution process, you must start the dispute process within 120 calendar days (about four months) of the date on the original bill.

There is a \$25 fee to use the dispute process. If the agency reviewing your dispute agrees with you, you will have to pay the price on this Good Faith Estimate. If the agency disagrees with you and agrees with the health care provider or facility, you will have to pay the higher amount.

PPDR Process

- When a consumer's billed charges for any provider or facility are at least \$400 more than the good faith estimate for that provider or facility, the items or services may be eligible for payment determination by an independent party called a selected dispute resolution (SDR) entity through the PPDR process.
- As each good faith estimate could potentially contain expected charges from multiple providers and facilities, eligibility for the PPDR process is determined separately for each specific provider or facility listed on the good faith estimate.

PPDR Process (Cont.)

- In 2022, items or services that are to be provided by a co-provider or co-facility (rather than the provider or facility the consumer scheduled items or services with or requested a good faith estimate from) that do not appear on the good faith estimate with expected charges are not eligible for PPDR.
- Beginning in 2023, estimates from co-providers and co-facilities must be included in the good faith estimate from the main provider or facility.

How is Eligibility for PPDR Determined?

- Eligibility for PPDR is determined separately for each unique provider or facility listed on the good faith estimate.
- For each provider or facility, the **total expected charges** for each item or service should be added up.
- This total amount is then compared with the **total of all billed charges** for the provider or facility, including billed charges for items and services that were furnished but not included in the good faith estimate, to determine eligibility for PPDR.

How is Eligibility for PPDR Determined? (Example 1)

Provider	Item or Service	Expected Charge
Provider A	Item 1	\$300
Provider A	Item 2	\$1275
Provider A	Item 3	\$550
Total Expected Charges from Provider A		\$2125
Provider B	Item 1	\$500
Total Expected Charges from Provider B		\$500

How is Eligibility for PPDR Determined? (Example 2)

Provider A	Expected charge	Billed charge
Item 1	\$300	\$350
Item 2	\$1275	\$1500
Item 3	\$550	\$550
Total	\$2125	\$2400

How is Eligibility for PPDR Determined? (Example 3)

Provider A	Expected charge	Billed charge
Item 1	\$300	\$350
Item 2	\$1275	\$1500
Item 3	\$550	\$850
Total	\$2125	\$2700

How is Eligibility for PPDR Determined? (Example 4)

Provider A	Expected charge	Billed charge
Item 1	\$300	\$350
Item 2	\$1275	\$1500
Item 3	\$550	\$550
Item 4	NA	\$200
Total	\$2125	\$2600

How Can an Uninsured (or Self-pay) Individual Start the PPDR Process?

- A consumer, or a consumer's authorized representative, can start the PPDR process by submitting an initiation notice to HHS through the online federal IDR portal, by fax, or by mail.
- This initiation notice must be submitted online, faxed, or postmarked within 120 calendar days of receiving the initial bill containing charges for the items or services that are substantially in excess of the expected charges in the good faith estimate. **HHS strongly recommends that the initiation notice be submitted through the online [federal IDR portal](#) to help ensure efficient processing.**
- If this is not possible, consumers can find a copy of the initiation notice at [CMS.gov/files/document/billing-dispute-initiation-form.pdf](https://www.cms.gov/files/document/billing-dispute-initiation-form.pdf) for download, and consumers can mail their initiation notices to:

C2C Innovative Solutions Inc.

Patient-Provider Dispute Resolution

P.O. Box 45105

Jacksonville, FL 32232-5105

What Must be Included in the Initiation Notice?

The initiation notice must include:

1. Information sufficient to identify the items or services under dispute, including the date of service or date the item was provided.
2. A copy of the bill for the items and services under dispute (the copy can be a photocopy or an electronic image (like a photo taken with the consumer's phone) so long as the document is readable).
3. A copy of the good faith estimate for the items and services under dispute (the copy can be a photocopy or an electronic image (like a photo taken with the consumer's phone) so long as the document is readable).

What Must be Included in the Initiation Notice?(Cont.)

4. The consumer's contact information, including name, email address, phone number, and mailing address and the contact information (name, email address, phone number, and mailing address) of the provider or facility.
5. The state where the consumer received the items or services in dispute.
6. The consumer's communication preference: email, paper mail, or phone.

Is There a Cost to Participate in the PPDR Process?

- The consumer, as the uninsured (or self-pay) individual, will need to pay a \$25 administrative fee to initiate the PPDR process.
- If the SDR entity decides that the consumer should pay anything less than the billed charge, the \$25 administrative fee will be subtracted from the final amount the SDR entity determines the consumer must pay the provider or facility.
- If the SDR entity decides that the billed charge from the provider or facility is the appropriate amount, the consumer must pay the full billed charge, and the \$25 administrative fee will not be subtracted from the consumer's bill.
- The administrative fee of \$25 may change in future years, but any such change will be shared in advance through additional guidance.

What Happens After the Individual Submits the Initiation Notice and Pays the Fee?

- Once the initiation notice has been received, HHS will select an SDR entity to conduct the payment determination.
- After selection, the SDR entity will notify the consumer and the provider or facility by electronic or paper mail that the initiation request has been received and is under review.
- The SDR entity will review the initiation notice to ensure that the items or services in dispute meet the eligibility criteria for the PPDR process and that the initiation notice contains all the required information.
- Once the SDR entity has determined that an item or service is eligible for dispute resolution, the SDR entity must notify both parties (the consumer and the consumer's provider or facility) and request the provider or facility provide certain information within 10 business days through the online federal IDR portal.

What Happens After the Individual Submits the Initiation Notice and Pays the Fee? (Cont.)

- No later than 30 business days after receipt of the information from the provider, the SDR entity must make a determination regarding the amount the consumer must pay:
 - The good faith estimate,
 - The billed amount, or
 - An amount in between the good faith estimate and the billed amount.
- The SDR entity will also notify the consumer in cases where the initiation notice is determined to be incomplete or the item or service is determined ineligible for dispute resolution.
- In these cases, the consumer will be provided 21 calendar days to submit any missing information or provide more information to demonstrate that the item or service is eligible for the PPDR process.

How Does the SDR Entity Determine the Payment Amount?

The SDR entity will review the billed charges to see if the items and services were included on the good faith estimate, as well as all documentation submitted by the uninsured (or self-pay) individual or their authorized representative and all documentation submitted by the provider or facility, and will determine how much the consumer must pay based on:

- Whether the provider or facility has provided credible information to demonstrate that the difference between the billed charge and the expected charge for the item or service in the good faith estimate:
 - Reflects the costs of a medically necessary item or service, and
 - Is based on unforeseen circumstances that could not have reasonably been anticipated by the provider or facility when the good faith estimate was provided.

Determining the Payment Amount:

Example 1

For any item or service where the billed charge is equal to or less than the expected charge in the good faith estimate, the SDR entity would determine that the billed amount is not substantially in excess of the good faith estimate and in this case is not eligible for the PPDR process. The SDR entity would inform the consumer or their authorized representative that the case is ineligible for review via this dispute resolution process.

Example:

- Billed charge = \$500
- Expected charge (i.e., the good faith estimate) = \$975
- The SDR entity would inform the consumer or their authorized representative that the case is ineligible for review via the PPDR process.

Determining the Payment Amount: Example 2

For a billed item or service that was included on the good faith estimate, if the billed charge for an item or service is substantially in excess of the good faith estimate, and the SDR entity determines the provider or facility **has not** provided credible information that the difference between the billed charge and the good faith estimate reflects the costs of a medically necessary item or service and is based on unforeseen circumstances, the SDR entity must determine the amount to be paid by the consumer for the item or service to be equal to the good faith estimate amount.

Example:

- Billed charge = \$875
- Expected charge = \$450
- The payment amount will be \$450.

Determining the Payment Amount:

Example 3

If the SDR entity determines that the provider or facility has provided credible information that the difference between the billed charge and the good faith estimate reflects the cost of a medically necessary item or service and is based on unforeseen circumstances, the SDR entity must select as the amount to be paid by the consumer the lesser of:

1. The billed charge; or
2. The median payment amount paid by a plan or issuer for the same or similar service by a same or similar provider in the geographic area where the services were provided that is reflected in an independent database.

Example:

- Billed charge = \$900
- Expected charge = \$450
- Median rate reflected in an independent database = \$2,000.
- The SDR entity determines that the provider **did provide** credible information justifying the higher charge.
- Payment amount = \$900.

Determining the Payment Amount: Example 4

For billed items or services **not listed on the good faith estimate**:

- If the SDR entity determines the provider or facility **did not provide** credible information that demonstrates that the difference between the billed charge for the new item or service, and the good faith estimate reflects the costs of a medically necessary item or service and is based on unforeseen circumstances, then the SDR entity must determine that amount to be paid for the new item or service to be equal to \$0.

Determining the Payment Amount: Example 4 (Cont.)

- If the SDR entity determines that a provider or facility **has provided** credible information that the billed charge for an item or service not listed on the good faith estimate is based on unforeseen circumstances, then the SDR entity must determine the charge to be paid by the uninsured (or self-pay) individual for the new item or service as the lesser of:
 - The billed charge; or
 - The median payment amount paid by a plan or issuer for the same or similar service, by a same or similar provider in the geographic area where the services were provided, that is reflected in an independent database.

Can Consumers Settle Payment Disputes With Providers and Facilities During the PPDR Process?

Yes.

- HHS recognizes that the two parties to the PPDR process (the consumer and the provider or facility) may agree to resolve the dispute by settling on a payment amount.
- At any point after the PPDR process has been initiated but before a determination is made by the SDR entity, the parties can settle the payment amount through either an offer of financial assistance or an offer to accept a lower amount, or the consumer agrees to pay the billed charges in full.

Can Consumers Settle Payment Disputes With Providers and Facilities During the PPDR Process? (Cont.)

- In the event that the parties agree to settle on a payment amount, the provider or facility should notify the SDR entity through the federal IDR portal, electronically, or in paper form as soon as possible, but no later than three business days after the date of the agreement. The settlement notice must document that the provider or facility has applied a reduction to the consumer's settlement amount that is equal to at least half of the administrative fee (\$12.50).

What are a Consumer's Protections During the PPDR Process?

- While the PPDR process is pending, the provider or facility must not move the bill for the disputed item or service into collection or threaten to do so. If the bill has already moved into collection, the provider or facility must cease collection efforts. The provider or facility must also suspend the accrual of any late fees on unpaid bill amounts until after the PPDR process has concluded. Lastly, the provider or facility must not take or threaten to take any retaliatory action against the consumer for utilizing the PPDR process to seek resolution for a disputed item or service.

How can Consumers Get Help With the PPDR Process?

- Consumers can use authorized representatives to help them with the PPDR process.
- Consumers cannot use as authorized representatives providers directly represented in the good faith estimate, providers associated with such providers or facilities, or non-clinical staff associated with such providers or facilities.
- Authorized representatives from state Consumer Assistance Programs (CAPs), personal attorneys, or legal aid organizations may also be resources for helping consumers with the PPDR process.
- Authorized representatives, on a consumer's behalf, will be allowed to submit initiation notices, upload documents, receive notices from HHS and the SDR entity, upload additional supporting documentation, and view the SDR entity's payment determination.
- Consumers can also contact the No Surprises Help Desk at 1-800-985-3059 from 8 am to 8 pm EST, seven days a week.

Resources

- HHS interim final rules (IFR) titled *Requirements Related to Surprise Billing; Part II*, published on October 7, 2021:
[Govinfo.gov/content/pkg/FR-2021-10-07/pdf/2021-21441.pdf](https://www.govinfo.gov/content/pkg/FR-2021-10-07/pdf/2021-21441.pdf).
- Access the [federal IDR portal here](#) or navigate to it from here: [Nsa-idr.cms.gov/](https://nsa-idr.cms.gov/).
- Model initiation notice: [CMS.gov/files/document/billing-dispute-initiation-form.pdf](https://www.cms.gov/files/document/billing-dispute-initiation-form.pdf).
- Mailing address for initiation notices:
C2C Innovative Solutions Inc.
Patient-Provider Dispute Resolution
P.O. Box 45105
Jacksonville, FL 32232-5105

Resources (Cont.)

- Access the [PPDR guidance for consumers here](#).
- Access the [PPDR fee guidance here](#).
- Consumers, advocates, and assisters can send questions about the PPDR process to FederalPPDRQuestions@cms.hhs.gov.
- Consumers can also contact the No Surprises Help Desk at 1-800-985-3059 from 8 am to 8 pm EST, 7 days a week.
- For additional resources to help with the PPDR process, please visit [CMS.gov/nosurprises](https://www.cms.gov/nosurprises).

Questions?