



WHITE PAPER
APRIL 2026

REVGUARD

— FEDERAL IDR · NO SURPRISES ACT

No-Upfront-Fee IDR, *engineered.*

How RevGuard converts federal Independent Dispute Resolution from a provider-funded option into a risk-shared recovery program — underwritten, financed, and aligned to collections.

~88%

Provider win rate
in federal IDR (H1 2025)

5.15M

Disputes initiated
since April 2022

\$5B+

Estimated system costs
through end of 2024

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00 INSIDE THIS PAPER Contents

A data-driven examination of the federal IDR process, its operating realities, and RevGuard's underwritten approach to turning dispute resolution into a scalable recovery program.

01	Executive Summary	03
	Scale, provider win rates, and the RevGuard thesis	
02	Regulatory Landscape	04
	Statutory structure, timelines, fees, and litigation posture	
03	Market Problem & Operating Realities	06
	Scale mismatch, eligibility friction, delays, and outcome patterns	
04	The RevGuard Model	07
	Underwriting, fee financing, and collection-aligned compensation	
05	Financial Analysis	09
	Break-even math, sensitivity testing, and comparative economics	
06	Operations, Technology & Governance	12
	Workflow, staffing, tech stack, and the 2026 Gateway transition	
07	Target Segments & Case Studies	13
	Air ambulance, ED, IONM, and ASC economics	
08	Recommendations	15
	Provider readiness framework and offering design principles	

01 SECTION ONE Executive Summary

Federal IDR has become orders of magnitude larger than its architects anticipated — with provider-favorable outcomes and persistent operational friction creating both opportunity and constraint.

Independent Dispute Resolution (IDR) under the No Surprises Act was designed as a final-offer arbitration backstop for out-of-network payment disputes after a required open negotiation period. The architecture is straightforward: negotiate first, arbitrate quickly, loser pays the arbitration fee, payment follows shortly after determination.

In practice, the system has operated at a scale far beyond the government's original expectations of roughly 17,000 disputes annually, with actual volumes reaching the millions and producing operational strain, delays, and high administrative overhead across plans, providers, and arbitration entities alike.

~88%

Provider win rate in H1 2025 payment determinations

5.15M

Total disputes initiated since launch (Apr 2022 - Jan 2026)

1.19M

Disputes in H1 2025 alone vs. ~17K originally projected annually

\$5B+

Cumulative system costs through end of 2024 (Georgetown CHIR)

THE REVGUARD THESIS

RevGuard's no-upfront-fee IDR model targets these barriers directly — underwriting case selection, absorbing or advancing arbitration costs on qualified claims, and tying compensation to actual collections, not just favorable decisions.

This converts IDR from a provider-funded option into a risk-shared recovery program with economics engineered around break-even thresholds, probability-weighted outcomes, and disciplined collections execution.

Providers have prevailed in a large majority of resolved determinations. In the first half of 2025, providers and facilities prevailed in approximately **88% of payment determinations**, with prevailing offers exceeding the qualifying payment amount (QPA) in roughly 88% of determinations. The combination of high win rates and awards frequently above QPAs has made IDR economically attractive — but participation is often constrained by four persistent barriers: **up-front cash**

requirements (administrative fees and escrowed IDR entity fees), **uncertainty and eligibility risk, process complexity and staffing burden**, and **time-to-cash variability**.

02 SECTION TWO Regulatory Landscape

The federal IDR framework has real teeth — rigid timelines, binding determinations, and a fee architecture that rewards preparation and penalizes weak filings.

- **Core structure and covered dispute types**

The No Surprises Act prohibits patient balance billing in specified circumstances and creates a separate payment dispute pathway between providers/facilities and plans/issuers when state payment-resolution law does not apply. The federal process is administered by HHS, Labor, and Treasury (the "Departments") and uses certified IDR entities to select one of the parties' offers.

A critical scope distinction for RevGuard's targeting: **air ambulance is covered** by No Surprises Act balance-billing protections, but **ground ambulance is not** — and therefore does not fit the same federal IDR design.

- **Statutory and procedural timelines**

Initial payment or denial	30 cal. days	Plan must issue payment or denial (absent applicable state regime)
Open negotiation	30 bus. days	After notice; must be exhausted before IDR can be initiated
IDR initiation	4 bus. days	After open negotiation ends, absent extensions
Certified IDR entity selection	3 bus. days	After initiation; random selection if parties cannot agree
Offer submission	10 bus. days	Offers due after certified IDR entity selection
Determination	30 bus. days	Certified IDR entity must select an offer and issue written decision
Payment	30 cal. days	Amount due after determination — legally binding

Cooling-off period **90 cal. days** Before re-initiating same or similar dispute with same other party

• Fees and who pays them

The federal IDR model involves two distinct fee layers: a **per-party administrative fee** paid to the certified IDR entity and remitted to the Departments (non-refundable), and a **certified IDR entity fee** escrowed and allocated based on who prevails. The prevailing party's IDR entity fee is refunded; the non-prevailing party's fee is retained by the certified IDR entity. If parties settle after initiation but before determination, the IDR entity fee is generally split — while administrative fees remain non-refundable.

FEE EVOLUTION AT A GLANCE

PERIOD	ADMIN FEE (PER PARTY)	CERTIFIED IDR ENTITY FEE RANGE
2022 original guidance	\$50	\$200-\$500 single · \$268-\$670 batched
2023 amended (later vacated by court)	\$350	Issued to address backlog and pre-eligibility workload
2024+ rulemaking	\$115	\$200-\$840 single · \$268-\$1,173 batched · \$75-\$250 tier (>25 line items)
2026 update	\$115	Entity-specific fees vary within allowable ranges

• Litigation-driven changes and operating posture

Federal courts have directly shaped IDR operations and fee/batching rules. Recent rulings (TMA III and TMA IV) vacated certain batching provisions, the \$350 administrative fee, and portions tied to QPA calculation methodology. The practical takeaways for model design:

- **Policy volatility is real.** Fee levels, batching mechanics, and documentation expectations have shifted through litigation and subsequent guidance.
- **Eligibility and batching are high-risk failure points.** The system is not "file and forget" — it demands accurate screening and compliance with current standards.

• Near-term operational changes

CMS announced that in the latter half of 2026, the federal IDR process will transition from single-use web forms to a centralized **IDR Gateway** with organization dashboards, enhanced security, identity verification, and US-based access controls. CMS has also certified additional IDR entities to increase throughput and reduce backlog.

03 SECTION THREE The Market Problem

The federal IDR system is running roughly 300x the caseload the government originally modeled — creating structural opportunity for providers with the discipline to navigate it.

• Scale mismatch and system congestion

300x

The gap between expectation and reality. Federal agencies anticipated ~17,000 IDR requests annually. Actual usage has exceeded that by orders of magnitude.

1.19M

Disputes initiated in H1 2025 alone. By January 2026, 5,151,197 total disputes had been initiated since launch — 4,780,477 closed.

A large share of closures are payment determinations, but a substantial count are ineligibility determinations or "other" — withdrawals, settlements, and administrative closures. The system has turned IDR into a quasi-industrial workflow for certain specialties and billing organizations, not an occasional last resort.

• Eligibility complexity and avoidable waste

Eligibility workload is repeatedly identified as a driver of delay and operational cost. Federal supplemental background notes that the primary cause of processing delays continues to be the complexity of eligibility determinations.

40%

H1 2025 disputes where the non-initiating party challenged eligibility

17%

Share found ineligible in H1 2025 — down, but still material

37%

Payment determinations rendered within 30 business days

67%

Payment determinations rendered within 60 business days

For providers, this creates strategic friction: time and money can be invested in disputes that never reach the merits — producing no incremental recovery but still consuming staff time and, in many cases, sunk administrative effort.

- **Fee burdens and administrative overhead**

Even when IDR is economically attractive on paper, traditional participation requires up-front payment or escrow of the certified IDR entity fee (with refund later to the prevailing party), non-refundable administrative fees, and material internal administrative work. A widely cited Georgetown CHIR analysis estimates the IDR system generated **at least \$5 billion in total costs through end of 2024**, including administrative fees, internal administrative costs, and incremental payments.

- **Outcome patterns: provider win rates and awards above QPA**

In aggregate, outcomes have been favorable to providers:

- Providers, facilities, and air ambulance providers prevailed in **~88% of payment determinations** in H1 2025, with prevailing offers exceeding QPA in approximately 88% of determinations.
- A Brookings analysis reports provider offers were much higher than insurer offers, and providers prevailed at least four-fifths of the time in the slices examined — with IDR prices materially above pre-NSA in-network benchmarks.
- A Health Affairs Scholar article on a common emergency medicine service reports providers won **86% of cases with mean decisions 2.7× QPA** for that service.

These patterns help explain the rise of IDR at scale — but they also increase scrutiny, operational oversight demands, and the importance of disciplined claim selection, especially for third-party-funded models.

04 SECTION FOUR The RevGuard Model

An underwritten recovery program built on three pillars — eligibility triage, fee financing, and collection-aligned compensation.

- **Design premise**

Traditional IDR forces providers to pay non-trivial fees up front, absorb the risk of losing and paying the IDR entity fee, and carry internal labor costs while waiting for payment. RevGuard's no-upfront-fee model is best understood as an **underwritten recovery program**.

PILLAR 01

Eligibility & viability underwriting

Claims are screened before initiation to avoid ineligible filings and low-yield disputes — cutting the waste that drives 17–40% of federal-level eligibility friction.

PILLAR 02

Fee financing

RevGuard advances or absorbs administrative and IDR entity fees so the provider deploys zero cash up front. Fee risk is underwritten into RevGuard's economics.

PILLAR 03

Collection-aligned compensation

Compensation is tied to actual collections — not merely to favorable decisions. Incentives align to collectible value and reduce pointless dispute volume.

PILLAR 04

Structural rule compliance

Every mechanic is consistent with federal IDR fee rules, rigid timing, binding determinations, and the 30-day post-determination payment requirement.

• **Mechanics: advance vs. absorb**

Because federal rules require fees to be paid as part of the process, a no-upfront-fee approach functionally means RevGuard either **advances fees** (funds administrative fees and escrowed IDR entity fees during the dispute, then is reimbursed from collections or under contract terms if successful) or **absorbs fees** (assumes fee risk fully, including loss scenarios, pricing that risk into contingency economics and underwriting criteria). Either structure must map tightly to federal rules: the prevailing party receives IDR entity fee refunds while administrative fees are non-refundable.

• **Claim viability criteria**

A robust no-upfront-fee IDR offering cannot be "file everything." A viability screen evaluates at minimum:

- **Federal IDR scope** — state-vs-federal applicability and covered service type
- **Expected incremental recovery** — Δ relative to current payment and QPA, benchmarked against known outcome distributions
- **Eligibility risk indicators** — documentation, batching permissibility, duplicate avoidance, timing compliance
- **Collection execution risk** — payer post-determination payment behavior and reconciliation readiness

05 SECTION FIVE Financial Analysis

Low-dollar disputes can be negative expected value under traditional IDR economics. A collection-aligned model keeps the provider positive at materially lower Δ thresholds.

• Baseline economics under traditional IDR

The provider's economic decision under traditional IDR is an expected-value problem constrained by up-front cash flow and operational bandwidth. A simplified single-determination model:

TRADITIONAL IDR — EXPECTED NET

$$E[\text{Net}] \approx p \cdot \Delta - A - (1 - p) \cdot F - C_{\text{int}}$$

Where: Δ = incremental recovery if provider prevails · p = probability provider prevails · A = administrative fee per party (non-refundable) · F = certified IDR entity fee (escrowed; refunded if prevail) · C_{int} = provider internal cost per dispute

PARAMETERIZATION FOR SENSITIVITY TESTING

This paper uses **A = \$115** (2026 admin fee per party), **F = \$520** (midpoint of the \$200-\$840 single-dispute range), and **C_{int} = \$857** per dispute (federal-estimate-based internal cost benchmark cited in policy analysis). Actual IDR entity fees vary by entity and year; actual internal costs vary sharply by provider sophistication and automation.

• Break-even thresholds under traditional IDR

BREAK-EVEN INCREMENTAL RECOVERY

$$\Delta_{\text{BE}} \approx (A + (1 - p) \cdot F + C_{\text{int}}) / p$$

PROVIDER WIN PROBABILITY (P)	BREAK-EVEN Δ (SINGLE DISPUTE)	INTERPRETATION
0.6	~\$1,967	High loss risk — fee burden dominant
0.7	~\$1,611	Low-dollar disputes risk negative EV

PROVIDER WIN PROBABILITY (P)	BREAK-EVEN Δ (SINGLE DISPUTE)	INTERPRETATION
0.8	~\$1,345	Internal cost is the pressure point
0.9	~\$1,138	Still material floor from admin load

• RevGuard no-upfront-fee economics

REVGUARD MODEL — EXPECTED NET TO PROVIDER

$$E[\text{Net}] \approx p \cdot (1 - s) \cdot \Delta - C_{\text{res}}$$

Where: s = RevGuard contingency share of incremental collections · C_{res} = residual provider internal cost (coordination, minimal documentation support)

SENSITIVITY ANALYSIS — TRADITIONAL VS. REVGUARD

Illustrative assumptions — Traditional: A=\$115, F=\$520, C_{int}=\$857 · RevGuard: s=30%, C_{res}=\$100 (placeholder; replaced by provider-specific estimates and contractual terms).

WIN P	INCREMENTAL Δ	E[NET] — TRADITIONAL	E[NET] — REVGUARD	DELTA
0.7	\$1,000	-\$428	\$390	+\$818
0.7	\$2,500	\$622	\$1,125	+\$503
0.7	\$5,000	\$2,372	\$2,350	-\$22
0.7	\$20,000	\$12,872	\$9,700	-\$3,172
0.8	\$1,000	-\$276	\$460	+\$736
0.8	\$2,500	\$924	\$1,300	+\$376
0.8	\$5,000	\$2,924	\$2,700	-\$224
0.8	\$20,000	\$14,924	\$11,100	-\$3,824
0.9	\$1,000	-\$124	\$530	+\$654
0.9	\$2,500	\$1,226	\$1,475	+\$249
0.9	\$5,000	\$3,476	\$3,050	-\$426
0.9	\$20,000	\$16,976	\$12,500	-\$4,476

INTERPRETATION

Under traditional economics, **low-dollar disputes can be negative expected value** once internal costs are accounted for — even with high win probability. A no-upfront-fee, collection-aligned model stays **positive expected value at lower Δ** because the provider doesn't bear arbitration fees and the downside is capped. At larger Δ , traditional economics catch up once fees become small relative to recovery. This is exactly why underwriting and segment selection matter.

Expected Provider Net vs. Incremental Recovery (Illustrative, $p = 0.80$)

Crossover point: Traditional IDR surpasses RevGuard model at $\Delta \approx \$4,000$ — RevGuard's cap on upside is the price of its floor protection.

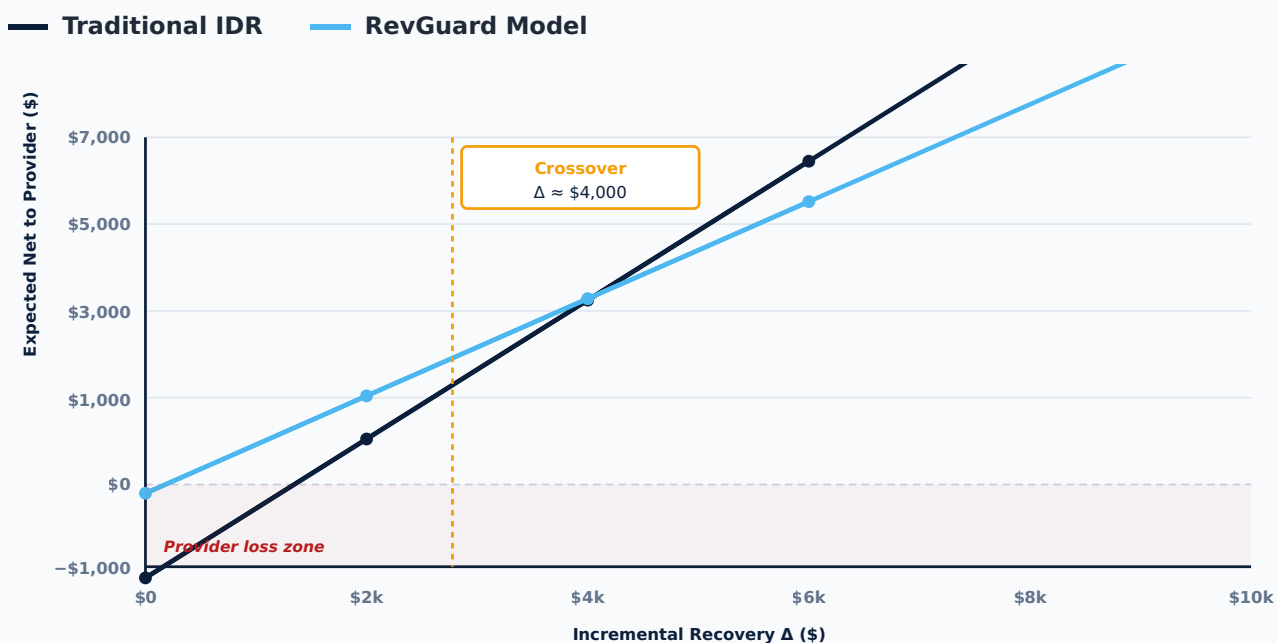


Chart based on the illustrative parameters above. Real-world economics vary by service mix, batching opportunity, eligibility success rates, documentation quality, and payer collection behavior.

06 SECTION SIX Operations & Technology

A no-upfront-fee offering must still execute the statutory workflow precisely — with rigid timing windows, documentation requirements, and a 2026 platform transition.

- **End-to-end workflow**

<p>STEP 01</p> <p>Claim + EOB ingest</p> <p>Automated intake from billing/RCM systems with baseline payment capture and QPA reference.</p>	<p>STEP 02</p> <p>Eligibility screen</p> <p>Scope, state-vs-federal applicability, and timing compliance validation.</p>
<p>STEP 03</p> <p>Viability underwriting</p> <p>Δ modeling, win-probability scoring, fee stack, batching option, collection risk.</p>	<p>STEP 04</p> <p>Open negotiation support</p> <p>Offer strategy and documentation assembly before IDR initiation.</p>
<p>STEP 05</p> <p>IDR initiation</p> <p>Filed within federal deadline with audit-trail capture and dashboard tracking.</p>	<p>STEP 06</p> <p>Entity selection + offer submission</p> <p>Evidence packaged to the factors certified IDR entities are required to consider.</p>
<p>STEP 07</p> <p>Determination tracking</p> <p>Decision monitoring, reconciliation readiness, compliance audit trail.</p>	<p>STEP 08</p> <p>Collections + portfolio analytics</p> <p>Post-determination payment capture, fee refunds, win-rate calibration.</p>

- **Staffing and functional capabilities**

- **Eligibility and compliance specialists** — state-vs-federal applicability, timing adherence, batching permissibility, duplicate validation.

- **Revenue integrity and analytics** — payer behavior patterning, QPA and offer benchmarking, portfolio-level win-rate calibration.
- **Clinical documentation and coding support** — rapid records retrieval, service-code verification, evidence assembly aligned to IDR entity factors.
- **Collections and reconciliation** — post-determination payment execution, refund reconciliation, fee-refund close-out for prevailing party.

• **Technology stack and the 2026 Gateway transition**

The core system requirements include a dispute management database with immutable audit trails, deadline calculators, and batch-control logic; document generation and packaging aligned to federal offer-plus-evidence structure; and integrations with billing/RCM systems and payer remits to validate baseline payment and measure Δ at scale. A concrete migration plan for the **IDR Gateway transition in H2 2026** — including identity verification and US-based access controls — is essential for continuity.

07 SECTION SEVEN

Target Segments & Case Studies

Not every out-of-network specialty is a fit. Segment selection is where the underwriting model earns its keep.

• **Segment fit overview**

SEGMENT	FEDERAL IDR FIT	TYPICAL DISPUTE PROFILE	WHY NO-UPFRONT-FEE MATTERS
Air ambulance	Strong fit	High-dollar disputes; outcomes show providers often prevail, with winning offers substantially above QPA.	Up-front fees small relative to Δ , but volume and contested eligibility create admin load; fee funding enables scale.
Hospital-based ED physician groups	Strong fit	High volume; outcomes often favorable; awards frequently above QPA in aggregate data.	Smaller Δ claims can be unprofitable once internal costs are included; underwriting + automation improves yield.

SEGMENT	FEDERAL IDR FIT	TYPICAL DISPUTE PROFILE	WHY NO-UPFRONT-FEE MATTERS
Ground ambulance (EMS)	Generally not covered	Not covered by NSA balance-billing prohibition; requires separate strategy.	Not an IDR-first target under NSA; avoid mis-targeting resources.
IONM / Neuromonitoring	Strong fit	Mid-to-high Δ; documentation-intensive; OON at in-network facility context.	Underwriting prevents low-yield or weak-documentation cases; outsourcing admin reduces burden.
ASCs with OON exposure	Conditional fit	Depends on whether services fall into protected categories; multi-claim patterning common.	Batching and analytics turn repeated underpayment patterns into scalable recovery.

• **Case study one – air ambulance**

A peer-reviewed cross-sectional study of air ambulance IDR cases processed in 2023 reported air ambulance organizations won **86.4% of disputes**, with mean QPA of \$15,561 and mean winning offers of \$32,463 among cases reporting financial metrics.

\$16,902

Illustrative Δ per air ambulance dispute.
The fee stack (admin + typical IDR entity fee) is on the order of hundreds — not tens of thousands.

86.4%

Peer-reviewed win rate. Underwriting can concentrate on large-Δ cases where fee risk is small relative to recovery.

• **Case study two – ED professional services**

Federal public data show ED services comprised **45% of payment determinations in H1 2025**, and providers/facilities prevailed in approximately 88% of determinations. However, low-dollar items can show large percentage spreads relative to QPA even when absolute dollars are small, and eligibility disputes remain a major operational burden. For ED-professional claims, the core RevGuard value is precision underwriting and automation that ensure only claims above break-even Δ thresholds proceed.

• **Case study three – IONM (hypothetical)**

IONM disputes tend to be documentation-heavy (medical necessity, coding specificity, site-of-service context). The federal process binds parties absent fraud or intentional misrepresentation and requires payment within 30 days of decision, so the economic lever is strong when claims are eligible and defensible.

VARIABLE	VALUE	NOTE
Baseline payment	\$1,200	Initial OON payment from payer
Expected IDR decision level	\$3,200	Based on IONM documentation and QPA patterning
Incremental recovery (Δ)	\$2,000	Target uplift per successful dispute
Estimated win probability	0.80	Service-code and payer historical baseline

Under traditional economics this Δ is near the modeled break-even range once internal costs are included. Under a no-upfront-fee model, the provider can pursue **only the best-documented claims at scale without deploying cash.**

- **Case study four — ASCs & specialty groups**

Brookings' analysis of 2023 IDR data highlights that prices emerging from IDR can be materially above historical in-network benchmarks (as multiples of Medicare) and that providers prevailed at least four-fifths of the time in categories examined. Operationally, **batched disputes accounted for 31% of determinations** in H1 2025 — improving unit economics when batching rules are satisfied. For ASC-adjacent specialty groups, the offering should emphasize batch-eligible high-volume code clusters, payer-specific recovery analytics, and disciplined eligibility controls.

08 SECTION EIGHT Recommendations

Treat IDR as a portfolio strategy, not a case-by-case anecdote. Governance and analytics matter more than filing speed.

- **For providers evaluating RevGuard**

Federal data show concentrated initiation behavior, contested eligibility at scale, and continued processing complexity. Translation: governance and analytics matter. The three-gate readiness framework:

GATE 01

Legal & eligibility gate

Scope, state-vs-federal applicability, timing, batching permissibility, duplicate controls.

GATE 02

Economic underwriting gate

Δ above break-even thresholds after fees and internal costs; prioritize patterns with demonstrated award-above-QPA prevalence.

GATE 03

Collections execution gate

Reconciliation and posting workflows capture the 30-day post-determination payment requirement and fee refunds.

GATE 04

Segment exclusion discipline

Explicitly exclude or segregate categories that don't fit federal NSA protections (notably ground ambulance).

• **For RevGuard's offering design**

The model is most defensible — commercially and regulatorily — when designed to **reduce system friction rather than amplify it**:

- **Underwrite for eligibility and documentation completeness** to minimize contested eligibility and ineligible closures.
- **Use calibrated fee stacks and deny weak disputes.** Federal policy attention has focused on volume and administrative burden, and the system is evolving toward more structured platforms and data integrity controls.
- **Tie compensation to collections** and build a formal collections enforcement playbook aligned to the binding nature of determinations and the 30-day payment rule.

• **Summary at a glance**

Scale

Federal IDR is operating at ~300x original projections, creating a structural market but also system friction.

Win rate

Providers prevailed in ~88% of H1 2025 determinations, with offers exceeding QPA in ~88% of wins.

Barrier

Up-front fees, eligibility risk, and internal admin costs keep low-Δ disputes negative-EV in traditional economics.

Solution

Underwriting + fee financing + collection-aligned compensation converts IDR into a risk-shared recovery program.

WHAT THIS MEANS FOR PROVIDERS

The providers who capture the most IDR upside are **not the ones filing the most disputes** — they are the ones with the **discipline to file the right ones**. Underwriting, segment selection, and disciplined collections execution are the levers. RevGuard's no-upfront-fee model exists to operationalize those levers so providers don't have to build the infrastructure themselves.

DISCLOSURES

This white paper is informational only and is not legal, tax, or financial advice. Contract terms control in any RevGuard engagement. Modeled scenarios are illustrative and depend on eligibility, documentation, payer behavior, and regulatory posture. All federal data and third-party statistics are drawn from publicly available CMS reports and independent policy analyses current as of April 2026.



MULTI-SPECIALTY RCM
AUSTIN, TEXAS

— READY WHEN YOU ARE

We guard your bottom line.

RevGuard is a multi-specialty revenue cycle management firm specializing in IDR under the No Surprises Act and IONM / neurology specialty billing. We pair an underwritten, fee-financed recovery program with the analytics and technology to scale it.

FIRM

RevGuard Medical Billing

HEADQUARTERS

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