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December 9, 2025

American Medical Association
330 N. Wabash Avenue
Suite 39300
Chicago, IL 60611
Attn: Dr. John Whyte, CEO

Dear Dr. Whyte and colleagues,

I am writing in response to the letter from the American Medical Association (AMA) and other federal and state medical specialty societies, dated November 13, 2025, to Gail Boudreaux, President & CEO, Elevance Health, regarding a recently announced administrative policy, Facility Administrative Policy: Use of a Nonparticipating Care Provider (the "policy"), that will be implemented by some of Elevance Health's affiliated commercial health plans on January 1, 2026.

The purpose of this policy is to ensure that patients have access to in-network clinicians, when available, for non-emergency care at in-network hospitals and to reduce healthcare costs by limiting misuse of the federal No Surprises Act (NSA) Independent Dispute Resolution (IDR) process. We appreciate the AMA's longstanding leadership in protecting patients from surprise medical bills and in supporting the sustainability of physician practices, and we share those goals.

We want to be very clear that this policy does not alter or limit any patient protections under the NSA. Patients will continue to be held harmless from balance bills in the circumstances defined by statute, and hospitals and physicians will retain their statutory rights to access the NSA's IDR process when the law applies. The policy instead addresses how our contracted facilities use available in-network clinicians for scheduled, non-emergent care provided to Elevance Health members, which is a core aspect of network management that is fully contemplated under the NSA framework and our provider contracts. Our objective is to complement the NSA's protections by reducing distortions in the IDR process that ultimately increase costs for employers and the patients, even when patients themselves are held harmless at the point of care.

We agree that the federal NSA has fulfilled its intent of protecting patients from unexpected medical bills at the point of care. At the same time, our experience shows it has also created incentives for many care providers to remain out-of-network due to extremely high, unstainable IDR awards – on average around nine times in-network commercial reimbursement rates – resulting from the NSA's IDR arbitration process.

Across the country, IDR filings have skyrocketed, many for non-emergent, planned procedures that should not ordinarily give rise to surprise bills. In our experience, IDR case

volume has surged more than 40% in 2025 compared to late 2024, with providers prevailing in roughly 85% of disputes and employer-funded health plans bearing nearly 90% of the additional cost. More than half of our IDR award costs come from a limited set of services – Plastic and Reconstructive Surgery, Spine and Orthopedic Surgery, and Neuromonitoring. For example, IDR awards for breast reduction average $90,000 per claim compared to Medicare payment rates of approximately $1,100, including some cases where assistant surgeons supporting the procedure are receiving IDR payment awards of about $100,000.

When awards at these levels become routine for non-emergent cases, the resulting costs are ultimately borne by employers and their employees through higher premiums and out-of-pocket costs, even though individual patients may be protected at the point of service. That is the cost pressure this policy is designed to help address.

We also recognize and value the critical role that independent physician practices play in our health care system. Our intent is not to compel physicians into any particular employment model or to disadvantage smaller practices. The policy does not require any physician to contract with an Elevance Health plan. Rather, it encourages hospitals, when scheduling non-emergent services for our members, to prioritize available in-network clinicians. We believe this approach is more balanced than allowing a relatively small number of very high-cost out-of-network arrangements to exert outsized pressure on overall health care costs.

To be clear, the policy does not impact emergency care or situations when there are no in-network care providers available. The policy also currently exempts rural, critical access, and safety-net hospitals, defined as follows:

- **Rural:** As defined by the Health Resources & Services Administration (HRSA);
- **Critical Access:** As defined by the Centers for Medicare & Medicaid Services (CMS) Critical Access Hospital definition; and
- **Safety-Net:** Hospitals that meet or exceed the 75th percentile of the proportion of Medicare beneficiaries considered dually eligible for Medicare and Medicaid across all acute care hospitals.

For currently exempt hospitals, we will continue to monitor activity, including any emerging access or cost issues, and we may refine our approach over time in consultation with our hospital partners if circumstances change.

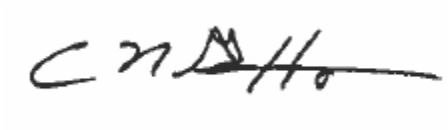
We share your concern regarding access for rural and underserved communities. These exemptions are intentional and are designed to avoid the very scenario you describe in which rural, critical access, or safety net hospitals are forced to make untenable choices or risk network termination. We also recognize that hospital staffing and scheduling are complex. We will evaluate hospital performance holistically and do not intend for this

policy to penalize isolated or unavoidable instances where an out-of-network clinician is used; rather, the focus is on persistent patterns in which, despite adequate in-network capacity, non-emergent services for our members are routinely furnished by nonparticipating clinicians.

For additional background, this policy is part of our broader strategy to improve the way the NSA's IDR process functions and mitigate any misuse to reduce healthcare costs for our customers. We continue to advocate for additional oversight of the entities performing IDR, and for the creation of new incentives to discourage review of claims that are ineligible or out-of-scope under the NSA. These changes are intended to reduce IDR volume and expedite decisions and payments. Additionally, we have filed several lawsuits against third party billers and non-participating professional providers for the misuse of the IDR process.

We appreciate the set of alternative approaches outlined in your letter, including fair and competitive contracting, timely credentialing, administrative simplification, transparency, and reduced prior authorization burden. Elevance Health has several ongoing initiatives in these areas, and we agree that improving the overall practice environment is essential to sustaining physician access for patients.

We share the AMA's commitment to patient access and the long-term sustainability of the care provider community and welcome the opportunity to continue working together toward those shared goals. Please share this response with your fellow national and state specialty societies and reach out to Max Isaacoff at Maxwell.Issacoff@ElevanceHealth.com, if you have additional questions about this policy.
Sincerely,



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Elevance Health

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American Academy of Allergy, Asthma & Immunology
American Academy of Dermatology Association
American Academy of Hospice and Palliative Medicine
American Academy of Neurology
American Academy of Otolaryngology - Head and Neck Surgery

American Academy of Physical Medicine and Rehabilitation
American Academy of Sleep Medicine
American Association of Hip and Knee Surgeons
American Association of Neurological Surgeons
American Association of Neuromuscular & Electrodiagnostic Medicine
American Association of Orthopaedic Surgeons
American Association of Physicians of Indian Origin
American College of Emergency Physicians
American College of Lifestyle Medicine
American College of Medical Genetics and Genomics
American College of Medical Toxicology
American College of Obstetricians & Gynecologists
American College of Radiology
American College of Rheumatology
American Gastroenterological Association
American Orthopaedic Foot & Ankle Society
American Osteopathic Association
American Psychiatric Association
American Society for Clinical Pathology
American Society for Dermatologic Surgery Association
American Society for Gastrointestinal Endoscopy
American Society for Surgery of the Hand Professional Organization
American Society of Anesthesiologists
American Society of Hematology
American Society of Nephrology
American Society of Neuroradiology
American Society of Nuclear Cardiology
American Society of Plastic Surgeons
American Society of Retina Specialists
American Society of Transplant Surgeons
American Thoracic Society
American Urogynecologic Society
College of American Pathologists
Congress of Neurological Surgeons
Medical Group Management Association
National Association of Medical Examiners
North American Neuromodulation Society
North American Spine Society
Renal Physicians Association
Society for Cardiovascular Angiography and Interventions
Society of American Gastrointestinal and Endoscopic Surgeons
Society of Critical Care Medicine
Society of Interventional Radiology
The American College of Cardiology

The American Society of Dermatopathology
Medical Association of the State of Alabama
Alaska State Medical Association
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Medical Society of Delaware
Medical Society of the District of Columbia
Medical Association of Georgia
Hawaii Medical Association
Idaho Medical Association
Illinois State Medical Society
Indiana State Medical Association
Kentucky Medical Association
Louisiana State Medical Society
Maine Medical Association
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Minnesota Medical Association
Missouri State Medical Association
Nevada State Medical Association
New Hampshire Medical Society
Medical Society of New Jersey
New Mexico Medical Society
Medical Society of the State of New York
North Dakota Medical Association
Ohio State Medical Association
Oregon Medical Association
Pennsylvania Medical Society
South Carolina Medical Association
Tennessee Medical Association
Texas Medical Association
Vermont Medical Society
Washington State Medical Association
Wisconsin Medical Society