April 23, 2025

The Honorable Mehmet Oz, MD
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Re: No Surprises Act; Good Faith Estimates

Dear Administrator Oz,

On behalf of the American Academy of Dermatology Association (Academy), we are writing to offer recommendations on the implementation of the No Surprises Act requirements for the provision of good faith estimates (GFEs) for insured patients. The American Academy of Dermatology Association (Academy) is the leading society in dermatological care, representing more than 17,500 dermatologists nationwide. The Academy is committed to excellence in the medical and surgical treatment of skin disease; advocating for high standards in clinical practice, education, and research in dermatology and dermatopathology; and driving continuous improvement in patient care and outcomes while reducing the burden of skin disease.

The Academy supports the intent of the No Surprises Act to protect patients from the financial impact of unanticipated medical bills. However, we are concerned that the GFE requirements for insured patients would pose significant operational and compliance challenges for dermatology practices. ***We therefore urge the Administration to implement the GFE requirements in a manner that minimizes burden, consistent with our recommendations below, while also preserving patient protections and maintaining timely access to dermatologic care.*** We believe this would be consistent with the Administration's emphasis on deregulation and burden reduction, as reflected – for example – in *Executive Order (EO) 14192 "Unleashing Prosperity Through Deregulation."*

Although the GFE requirement for insured patients has not yet been implemented, the policy raises significant concerns about the additional cost and administrative burden it would place on

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physician practices. This includes requirements to generate GFEs under quick timelines, as well as to transmit GFEs to health plans using as-yet-unspecified technologies and protocols. Given that GFEs would need to be generated for the majority of most practices' patients, these costs would not be trivial: costs for generating GFEs would arguably be comparable to costs for generating claims, with previous per claim costs reported as being almost $3 for electronic claims.[1] Likewise, engagement with other providers involved in furnishing a single service will also be likely, for example if there is lack of clarity in who should furnish the GFE, leading to demands for additional time and resources.

The Academy appreciates the agency's recognition of the challenges associated with sharing GFE data between physicians and health plans and its decision to delay implementation. We also appreciate efforts to pursue more automated methods for data transmission, including through the adoption of electronic standards for the transmission of data. However, we are concerned that the current efforts to minimize burden could still fall short, with small practices ultimately facing disproportionate costs and burdens to effectively meet finalized GFE requirements.

To avoid unnecessary administrative burden and unintended consequences that could limit access to care, we urge the Administration to limit the scope of future GFE requirements to the minimum necessary. For example, GFEs should be limited to only the services furnished by the billing provider, rather than services furnished by all potential providers who might be involved. Additionally, in-network providers should not be required to report information on their billed charges or contracted payment amounts, as patients' out-of-pocket costs will be driven by negotiated payment rates – information that plans already possess; reporting of planned services should be sufficient.

We also urge the Administration to ensure that any electronic data transition standards are fully tested before they are proposed and finalized for implementation, including by providers across multiple provider types and specialties, including dermatology. We highlight the need to ensure that small practices are adequately represented in any pilot testing efforts, as we believe they will experience the greatest difficulty in meeting new requirements, and that selection of standards prioritize burden minimization for such practices. We underscore that undue burden will only increase pressures for such practices to be consolidated into larger health systems.

We recommend that the Administration consider implementation costs and timelines, including to account for selection and adoption of technology solutions, integration with existing systems, development of new workflows, and training of staff. We also urge that the Administration adopt a reasonable multi-year transition process for implementing GFE requirements, which provides small practices sufficient runway to achieve compliance.

[1] https://www.ama-assn.org/media/11106/download#:~:text=Electronic%20claims%20are%20inexpensive%20for,%246.63%20(see%20Figure%201).

The Academy appreciates your engagement in collecting physician feedback on implementing the No Surprises Act and the opportunity to provide input. We welcome the chance to serve as a resource to help ensure patients remain protected while supporting high-quality care. If you have any questions, please contact Jillian Winans, Associate Director of Health Policy & Payment, at jwinans@aad.org.

Sincerely,

Susan C. Taylor, MD, FAAD
President, American Academy of Dermatology Association