IEPC

Independent Emergency Physicians Consortium

NEWSLETTER

June 2026

In this issue:

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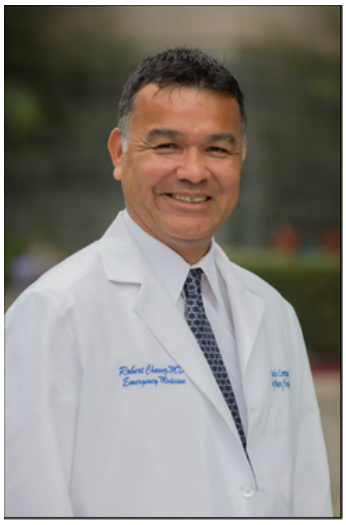
Welcome to the June 2026 issue of the IEPC Newsletter

This month we are focused on the financial pressures facing independent emergency physicians. Dr. Robert Chavez shares insights on Medical Professional Liability insurance in the President's Pearls column. We also cover the recently finalized reforms to the No Surprises Act IDR process. And we take a broader look at the unsustainable state of emergency medicine in California, where declining reimbursement, stagnant Medi-Cal rates, and the anticipated impact of HR1 are converging into an increasingly urgent threat to independent practice.

We encourage you to share these resources with your colleagues and teams.

Thank you for being part of the IEPC community.

President's Pearls



Robert Chavez, MD
President, IEPC

Dear Colleagues,

Let's take a moment to do a deep dive on a subject near and dear to every ED doctor's heart...Medical Professional Liability coverage also known as "Malpractice Insurance". When a group is considering purchasing MPL coverage it is important to consider not only the basics of this coverage, namely the annual premium and the limits of coverage, but also to consider other more nuanced components of coverage and how they can affect your Medical Services Agreement (Contract) with your hospital or system you work with. The first considerations are how much liability coverage does my MSA contract require? Standard limits in California are 1M/3M but some systems, specialties or hospitals require 2M/5M (Million) or greater. The numerator is the maximum amount paid for a single claim and the denominator is the maximum total amount paid for all claims combined in a single policy year. What is the Overall Policy Aggregate amount (Hint: The bigger the better.)

Is it a claims-made or occurrence policy? A claims-made policy, the most common policy, covers claims filed only while the policy is active which often requires purchasing "Tail Coverage" if you lose your contract or your group is purchased or is shutting down and no "prior events" coverage is provided by the new group. The cost of "tail" or prior events coverage can range from 200-300% of a group's annual premium.

President's Pearls

In addition, does the coverage include separate limits for all physicians and APPs and entities associated with a claim? Is there a deductible? Does your new policy cover your tail with a "nose" or prior acts policy which protects all providers entering or leaving the group? Ask the insurance company to include a "per patient visit policy" structure and provide them with your urgent vs. emergent visits to be able to make an apples-to-apples comparison from one carrier to the next. It also protects providers leaving the group.

Additional things to consider are, can you pay a little extra for a "rate lock" for 1 or more years?Do you get part of your premium back as a dividend for good group performance? Also, be sure "consent to settle" remains with your provider and not just the insurance carrier. Finally, does the policy cover other issues such as "Administrative Defense", Medical Board Defense, Crisis Recovery Reimbursement or Cyber coverage?
There is no doubt MPL coverage is very important but as you can see can be quite complicated. Make sure you have a great insurance broker to help guide you through the process and give you insights into the market and the nuances of each offer of coverage.

In this issue:

No Surprises Act IDR Process Gets a Major Overhaul

On May 28, 2026, the Departments of Health and Human Services, Labor, and Treasury finalized significant reforms to the No Surprises Act Federal Independent Dispute Resolution (IDR) process. The changes come in response to the system's growing pains since its 2022 launch, which saw over 5 million disputes submitted and mounting backlogs, rising costs, and procedural inefficiencies.

Key improvements include a substantial reduction in administrative fees, streamlined open negotiation through the federal portal, expanded batching provisions allowing up to 50 items and services per dispute, and new requirements for insurers to register in the portal and use standardized claim codes on remittance advice.

While these reforms represent meaningful progress, delayed payments and inconsistent insurer compliance continue to create challenges for emergency physicians and healthcare organizations. The No Surprises Act Enforcement Act (H.R. 4710/S. 2420) would give the HHS stronger authority to enforce payment deadlines and hold noncompliant insurers accountable, helping ensure the NSA works as intended for physicians and patients.

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The Bigger Picture: The Unsustainable State of Emergency Medicine

The IDR reforms are one tool for addressing the broader payment crisis facing emergency medicine, but the scale of that crisis extends well beyond any single regulation. According to a 2025 RAND report cited in CalACEP's policy brief, inflation-adjusted payments per ED visit fell by nearly 11% for in-network visits and nearly 48% for out-of-network visits between 2018 and 2022.

"Emergency physicians are not compensated for more than half of the time they spend treating patients, with unpaid payments totaling an estimated $5.9 billion per year nationwide."

The situation in California is particularly acute. Medi-Cal reimbursement rates for emergency physicians, which have not been increased in over twenty years, sit at just 54-56% of Medicare. Medi-Cal patients make up 42% of patients seen by emergency physicians statewide, and up to 75% at some urban and rural hospitals. The passage of HR1 is expected to cause up to 2 million Medi-Cal enrollees to lose coverage, potentially raising the proportion of uninsured ED visits to 17% statewide.

For the full picture, see CalACEP's policy brief, The Unsustainable State of Emergency Medicine.

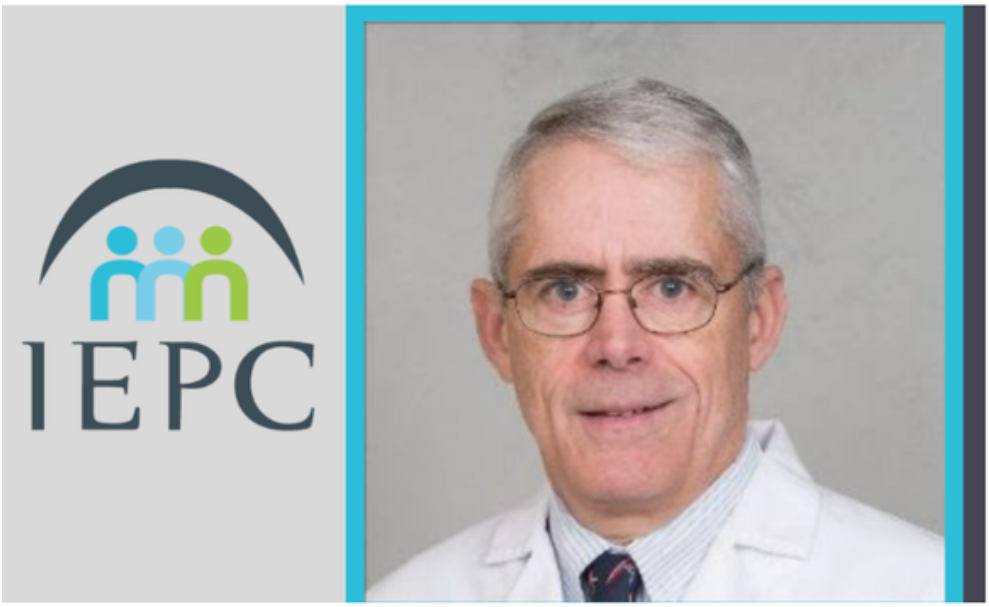
2026 IEPC Speaker Series

FREE TO ALL FRIENDS OF IEPC!

9:00 AM - 9:30 AM PT on the fourth Monday of each month.

Next Session: June 22, 2026

2026 AAEM Update on Litigation/Corporate Practice Issues with Dr. Robert McNamara



To register::https://us04web.zoom.us/meeting/register/QHGzl5_ITCGSVTGqBVF3tg