## APPENDIX. STATE USE OF INDEPENDENT DISPUTE RESOLUTION

<table>
<thead>
<tr>
<th>State</th>
<th>Use of Independent Dispute Resolution</th>
</tr>
</thead>
</table>
| California    | **Primary method is a payment standard.**  
For emergency services: a voluntary, nonbinding dispute-resolution process.  
For nonemergency services: IDR process if use of payment standard fails.                              |
| Colorado      | **Primary method is a payment standard.**  
A provider or facility that finds the payment rate insufficient may initiate binding arbitration. Final offer arbitration.  
Factors: a) the provider’s level of training, education, experience, and specialization; and b) the contracted rate from year prior, if available. |
| Florida       | **Primary method is a payment standard.**  
For PPOs: state payment standard applies to services by out-of-network providers at in-network facilities. Any dispute with the payment made according to the payment standard must be resolved through either the courts or a voluntary dispute resolution process.  
For HMOs: payment standard only applies to emergency services, but the state also has a voluntary claim dispute resolution process in place. |
| Illinois      | Provides an IDR process.  
If negotiation fails, insurer or physician may initiate binding arbitration by filing a request with the insurance department.                                                                 |
| New Hampshire | Provides an IDR process.  
The insurance commissioner has exclusive jurisdiction to determine if the fee is commercially reasonable. The provider and insurer must first try negotiations, and the insurance department may require mediation. |
| New Jersey    | Provides an IDR process.  
If the insurer and provider cannot agree in voluntary negotiations and the difference between final offers is at least $1,000, then insurer, provider, or enrollee may initiate binding arbitration. Final offer arbitration; decision is binding. |
| New York      | Provides an IDR process.  
Final offer arbitration. Factors: a) whether there is a gross disparity compared to past fees for out-of-network payments; b) level of training, education and experience; c) usual charge for comparable services for out-of-network patients; d) circumstances and complexity of the particular case; e) individual patient characteristics; and f) the usual and customary cost of the service. Certain emergency services are exempt from the IDR process. |
| Texas         | Provides an IDR process.  
For out-of-network providers, a binding arbitration process. Provider or insurer may request arbitration. First required step is informal settlement teleconference, followed by arbitration if unsuccessful. Final offer arbitration.  
Factors: a) level of training and experience; b) circumstances and complexity of case; c) 80th percentile of billed charges; and d) 50th percentile of in-network rates.  
For out-of-network facilities, a nonbinding mediation process. For certain claims, if mediation is unsuccessful, parties may file a civil action. |
| Washington    | Provides an IDR process.  
Parties must first participate in voluntary negotiation. If unsuccessful, either party may request arbitration. Final offer arbitration. Factors: a) evidence and methodology submitted by the parties; b) patient characteristics and circumstances and complexity of the case, including whether service delivered at a level I or level II trauma center or rural facility; and c) data from the state’s all-payer claims database. |

Data: Authors’ analysis