

119TH CONGRESS  
1ST SESSION

# S. 2420

To amend title XXVII of the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to increase penalties for group health plans, health insurance issuers, and nonparticipating providers or facilities for practices that violate balance billing requirements, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JULY 23, 2025

Mr. MARSHALL (for himself and Mr. BENNET) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

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## A BILL

To amend title XXVII of the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to increase penalties for group health plans, health insurance issuers, and nonparticipating providers or facilities for practices that violate balance billing requirements, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2        This Act may be cited as the “No Surprises Act En-  
3 forcement Act”.

4 **SEC. 2. INCREASING PENALTIES FOR GROUP HEALTH  
5 PLANS AND HEALTH INSURANCE ISSUERS  
6 FOR PRACTICES THAT VIOLATE BALANCE  
7 BILLING REQUIREMENTS.**

8        (a) PHSA.—Section 2723(b)(2)(C) of the Public  
9 Health Service Act (42 U.S.C. 300gg–22(b)(2)(C)) is  
10 amended—

11              (1) in clause (i), by inserting “(or, in the case  
12 of such a failure with respect to a provision specified  
13 in clause (iv), \$10,000 per violation)” after “\$100”;  
14 and

15              (2) by adding at the end the following new  
16 clause:

17                      “(iv) PROVISIONS SPECIFIED.—For  
18 purposes of clause (i), the provisions speci-  
19 fied in this clause are the following:

20                          “(I) Subparagraphs (A) and (B)  
21 of section 2799A–1(a)(1).

22                          “(II) Clauses (i), (ii), (iii), and  
23 (v) of section 2799A–1(a)(1)(C).

24                          “(III) Subparagraphs (A), (B),  
25 and (E) of section 2799A–1(b)(1).

1                         “(IV) Paragraphs (1) and (2) of  
2                         section 2799A–2(a).”.

3                 (b) ERISA.—Section 502 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1131) is  
4                         amended—

5                         (1) in subsection (a)(6), by striking “or (9)”

6                         and inserting “(9), or (12)”;

7                         (2) in subsection (b)(3)—

8                             (A) by inserting “, (c)(12),” after “subsections (c)(9)”;

9                         and

10                             (B) by inserting “or (c)(12)” after “under subsection (c)(9)”;

11                         and

12                             (3) in subsection (c), by adding at the end the  
13                         following new paragraph:

14                 “(12) The Secretary may assess a civil penalty  
15                         against any group health plan or health insurance issuer  
16                         offering group health insurance coverage of not more than  
17                         \$10,000 per violation for each individual with respect to  
18                         which such plan or coverage fails to comply with one of  
19                         the following provisions:

20                             “(A) Subparagraphs (A) and (B) of section  
21                         716(a)(1).

22                             “(B) Clauses (i), (ii), (iii), and (v) of section  
23                         716(a)(1)(C).

1           “(C) Subparagraphs (A), (B), and (E) of sec-  
2        tion 716(b)(1).

3           “(D) Paragraphs (1) and (2) of section  
4        717(a).”.

5        (c) IRC.—Section 4980D(b) of the Internal Revenue  
6        Code of 1986 is amended—

7           (1) in paragraph (1), by inserting “(or, in the  
8        case of such a failure with respect to a provision  
9        specified in paragraph (4), \$10,000)” after “\$100”;  
10      and

11      (2) by adding at the end the following new  
12      paragraph:

13      “(4) PROVISIONS SPECIFIED.—For purposes of  
14      paragraph (1), the provisions specified in this para-  
15      graph are the following:

16      “(A) Subparagraphs (A) and (B) of section  
17        9816(a)(1).

18      “(B) Clauses (i), (ii), (iii), and (v) of sec-  
19        tion 9816(a)(1)(C).

20      “(C) Subparagraphs (A), (B), and (E) of  
21        section 9816(b)(1).

22      “(D) Paragraphs (1) and (2) of section  
23        9817(a).”.

1   **SEC. 3. ADDITIONAL PENALTIES FOR LATE PAYMENT OR**  
2                   **NON-PAYMENT AFTER IDR ENTITY PAYMENT**  
3                   **DETERMINATION.**

4       (a) PHSA.—

5               (1) EMERGENCY AND NONEMERGENCY SERV-  
6       ICES.—Section 2799A-1(c)(6) of the Public Health  
7       Service Act (42 U.S.C. 300gg-111(c)(6)) is amend-  
8       ed—

9                       (A) in the paragraph heading, by inserting  
10       “; PENALTY FOR LATE PAYMENT OR NON-PAY-  
11       MENT” after “PAYMENT”;

12                       (B) by striking “The total plan” and in-  
13       serting the following:

14                       “(A) TIMING OF PAYMENT.—The total  
15       plan”;

16                       (C) in subparagraph (A), as so inserted, by  
17       adding at the end the following new sentence:  
18               “In the case such determination is an amount  
19       less than the sum of the initial payment for  
20       such item or service and any cost sharing re-  
21       quired to be paid by the individual receiving  
22       such item or service, the nonparticipating pro-  
23       vider or facility furnishing such item or service  
24       shall pay to such plan or coverage the dif-  
25       ference between such determination and such

1           sum not later than 30 days after the date on  
2           which such determination is made.”; and

3           (D) by adding at the end the following new  
4           subparagraphs:

5                 “(B) NOTIFICATION.—In the case of a  
6                 plan or coverage, or a nonparticipating provider  
7                 or facility, required to make a payment pursu-  
8                 ant to a determination described in subpara-  
9                 graph (A), such plan or coverage or nonpartici-  
10                 pating provider or facility shall submit to the  
11                 Secretary a notification of such payment as of  
12                 the date such payment is made in a manner  
13                 specified by the Secretary.

14                 “(C) PENALTY FOR LATE PAYMENT OR  
15                 NON-PAYMENT.—

16                 “(i) IN GENERAL.—In the case of a  
17                 plan or coverage, or a nonparticipating  
18                 provider or facility, that has not made the  
19                 required payment described in subpara-  
20                 graph (A) with respect to an item or serv-  
21                 ice in the time period described in such  
22                 subparagraph, in addition to making such  
23                 payment, such plan or coverage or non-  
24                 participating provider or facility shall also  
25                 pay to the nonparticipating provider or fa-

1                         cility or plan or coverage (as applicable) an  
2                         amount that is three times the difference  
3                         between—

4                             “(I) the initial payment (or, in  
5                             the case of a notice of denial of pay-  
6                             ment, \$0) described in subsection  
7                             (a)(1)(C)(iv)(I) or (b)(1)(C), as appli-  
8                             cable; and

9                             “(II) the out-of-network rate (as  
10                          defined in subsection (a)(3)(K)) for  
11                          such item or service (less any cost  
12                          sharing required to be paid by the in-  
13                          dividual receiving such item or serv-  
14                          ice).

15                         “(ii) INTEREST.—A late payment pen-  
16                          alty under clause (i) shall also be subject  
17                          to interest in a manner specified by the  
18                          Secretary.”.

19                         (2) AIR AMBULANCE SERVICES.—Section  
20                         2799A–2(b)(6) of the Public Health Service Act (42  
21                         U.S.C. 300gg–112(b)(6)) is amended—

22                         (A) in the paragraph heading, by inserting  
23                         “; PENALTY FOR LATE PAYMENT OR NON-PAY-  
24                         MENT” after “PAYMENT”;

(B) by striking “The total plan” and inserting the following:

3                           “(A) TIMING OF PAYMENT.—The total  
4                           plan”;

(C) in subparagraph (A), as so inserted, by adding at the end the following new sentence: "In the case such determination is an amount less than the sum of the initial payment for such item or service and any cost sharing required to be paid by the individual receiving such item or service, the nonparticipating provider or facility furnishing such item or service shall pay to such plan or coverage the difference between such determination and such sum not later than 30 days after the date on which such determination is made."; and

17 (D) by adding at the end the following new  
18 subparagraphs:

19                 “(B) NOTIFICATION.—In the case of a  
20 plan or coverage, or a nonparticipating provider  
21 or facility, required to make a payment pursu-  
22 ant to a determination described in subparagraph  
23 (A), such plan or coverage or nonpartici-  
24 pating provider or facility shall submit to the  
25 Secretary a notification of such payment as of

1           the date such payment is made in a manner  
2           specified by the Secretary.

3           “(C) PENALTY FOR LATE PAYMENT OR  
4           NON-PAYMENT.—

5           “(i) IN GENERAL.—In the case of a  
6           plan or coverage, or a nonparticipating  
7           provider or facility, that has not made the  
8           required payment described in subparagraph  
9           (A) with respect to an item or service  
10          in the time period described in such  
11          subparagraph, in addition to making such  
12          payment, such plan or coverage or non-  
13          participating provider or facility shall also  
14          pay to the nonparticipating provider or fa-  
15          cility or plan or coverage (as applicable) an  
16          amount that is three times the difference  
17          between—

18           “(I) the initial payment (or, in  
19           the case of a notice of denial of pay-  
20           ment, \$0) described in subsection  
21           (a)(3)(A); and

22           “(II) the out-of-network rate (as  
23           defined in section 2799–1(a)(3)(K))  
24           for such item or service (less any cost  
25           sharing required to be paid by the in-

1                   dividual receiving such item or serv-  
2                   ice).

3                   “(ii) INTEREST.—A late payment pen-  
4                   alty under clause (i) shall also be subject  
5                   to interest in a manner specified by the  
6                   Secretary.”.

7                   (b) ERISA.—

8                   (1) EMERGENCY AND NONEMERGENCY SERV-  
9                   ICES.—Section 716(c)(6) of the Employee Retire-  
10                  ment Income Security Act of 1974 (29 U.S.C.  
11                  1185e(c)(6)) is amended—

12                  (A) in the paragraph heading, by inserting  
13                  “; PENALTY FOR LATE PAYMENT OR NON-PAY-  
14                  MENT” after “PAYMENT”;

15                  (B) by striking “The total plan” and in-  
16                  serting the following:

17                  “(A) TIMING OF PAYMENT.—The total  
18                  plan”;

19                  (C) in subparagraph (A), as so inserted, by  
20                  adding at the end the following new sentence:  
21                  “In the case such determination is an amount  
22                  less than the sum of the initial payment for  
23                  such item or service and any cost sharing re-  
24                  quired to be paid by the individual receiving  
25                  such item or service, the nonparticipating pro-

1           vider or facility furnishing such item or service  
2           shall pay to such plan or coverage the dif-  
3           ference between such determination and such  
4           sum not later than 30 days after the date on  
5           which such determination is made.”; and

6                 (D) by adding at the end the following new  
7                 subparagraphs:

8                 “(B) NOTIFICATION.—In the case of a  
9                 plan or coverage, or a nonparticipating provider  
10               or facility, required to make a payment pursu-  
11               ant to a determination described in subpara-  
12               graph (A), such plan or coverage or nonpartici-  
13               pating provider or facility shall submit to the  
14               Secretary a notification of such payment as of  
15               the date such payment is made in a manner  
16               specified by the Secretary.

17                 “(C) PENALTY FOR LATE PAYMENT OR  
18                 NON-PAYMENT.—

19                 “(i) IN GENERAL.—In the case of a  
20                 plan or coverage, or a nonparticipating  
21               provider or facility, that has not made the  
22               required payment described in subpara-  
23               graph (A) with respect to an item or serv-  
24               ice in the time period described in such  
25               subparagraph, in addition to making such

1 payment, such plan or coverage or non-  
2 participating provider or facility shall also  
3 pay to the nonparticipating provider or fa-  
4 cility or plan or coverage (as applicable) an  
5 amount that is three times the difference  
6 between—

7 “(I) the initial payment (or, in  
8 the case of a notice of denial of pay-  
9 ment, \$0) described in subsection  
10 (a)(1)(C)(iv)(I) or (b)(1)(C), as appli-  
11 cable; and

12 “(II) the out-of-network rate (as  
13 defined in subsection (a)(3)(K)) for  
14 such item or service (less any cost  
15 sharing required to be paid by the in-  
16 dividual receiving such item or serv-  
17 ice).

18 “(ii) INTEREST.—A late payment pen-  
19 alty under clause (i) shall also be subject  
20 to interest in a manner specified by the  
21 Secretary.”.

22 (2) AIR AMBULANCE SERVICES.—Section  
23 717(b)(6) of the Employee Retirement Income Secu-  
24 rity Act of 1974 (29 U.S.C. 1185f(b)(6)) is amend-  
25 ed—

1                             (A) in the paragraph heading, by inserting  
2                             “; PENALTY FOR LATE PAYMENT OR NON-PAY-  
3                             MENT” after “PAYMENT”;

4                             (B) by striking “The total plan” and in-  
5                             serting the following:

6                             “(A) TIMING OF PAYMENT.—The total  
7                             plan”;

8                             (C) in subparagraph (A), as so inserted, by  
9                             adding at the end the following new sentence:  
10                             “In the case such determination is an amount  
11                             less than the sum of the initial payment for  
12                             such item or service and any cost sharing re-  
13                             quired to be paid by the individual receiving  
14                             such item or service, the nonparticipating pro-  
15                             vider or facility furnishing such item or service  
16                             shall pay to such plan or coverage the dif-  
17                             ference between such determination and such  
18                             sum not later than 30 days after the date on  
19                             which such determination is made.”; and

20                             (D) by adding at the end the following new  
21                             subparagraphs:

22                             “(B) NOTIFICATION.—In the case of a  
23                             plan or coverage, or a nonparticipating provider  
24                             or facility, required to make a payment pursu-  
25                             ant to a determination described in subpara-

1 graph (A), such plan or coverage or nonpartici-  
2 pating provider or facility shall submit to the  
3 Secretary a notification of such payment as of  
4 the date such payment is made in a manner  
5 specified by the Secretary.

6 “(C) PENALTY FOR LATE PAYMENT OR  
7 NON-PAYMENT.—

8 “(i) IN GENERAL.—In the case of a  
9 plan or coverage, or a nonparticipating  
10 provider or facility, that has not made the  
11 required payment described in subpara-  
12 graph (A) with respect to an item or serv-  
13 ice in the time period described in such  
14 subparagraph, in addition to making such  
15 payment, such plan or coverage or non-  
16 participating provider or facility shall also  
17 pay to the nonparticipating provider or fa-  
18 cility or plan or coverage (as applicable) an  
19 amount that is three times the difference  
20 between—

21 “(I) the initial payment (or, in  
22 the case of a notice of denial of pay-  
23 ment, \$0) described in subsection  
24 (a)(3)(A); and

1                         “(II) the out-of-network rate (as  
2                         defined in section 716(a)(3)(K)) for  
3                         such item or service (less any cost  
4                         sharing required to be paid by the in-  
5                         dividual receiving such item or serv-  
6                         ice). ”

7                         “(ii) INTEREST.—A late payment pen-  
8                         alty under clause (i) shall also be subject  
9                         to interest in a manner specified by the  
10                         Secretary.”.

11                         (c) IRC.—

12                         (1) EMERGENCY AND NONEMERGENCY SERV-  
13                         ICES.—Section 9816(c)(6) of the Internal Revenue  
14                         Code of 1986 is amended—

15                         (A) in the paragraph heading, by inserting  
16                         “; PENALTY FOR LATE PAYMENT OR NON-PAY-  
17                         MENT” after “PAYMENT”;

18                         (B) by striking “The total plan” and in-  
19                         serting the following:

20                         “(A) TIMING OF PAYMENT.—The total  
21                         plan”;

22                         (C) in subparagraph (A), as so inserted, by  
23                         adding at the end the following new sentence:  
24                         “In the case such determination is an amount  
25                         less than the sum of the initial payment for

1           such item or service and any cost sharing re-  
2           quired to be paid by the individual receiving  
3           such item or service, the nonparticipating pro-  
4           vider or facility furnishing such item or service  
5           shall pay to such plan the difference between  
6           such determination and such sum not later than  
7           30 days after the date on which such deter-  
8           mination is made.”; and

9           (D) by adding at the end the following new  
10          subparagraphs:

11           “(B) NOTIFICATION.—In the case of a  
12          plan, or a nonparticipating provider or facility,  
13          required to make a payment pursuant to a de-  
14          termination described in subparagraph (A),  
15          such plan or nonparticipating provider or facil-  
16          ity shall submit to the Secretary a notification  
17          of such payment as of the date such payment  
18          is made in a manner specified by the Secretary.

19           “(C) PENALTY FOR LATE PAYMENT OR  
20          NON-PAYMENT.—

21           “(i) IN GENERAL.—In the case of a  
22          plan, or a nonparticipating provider or fa-  
23          cility, that has not made the required pay-  
24          ment described in subparagraph (A) with  
25          respect to an item or service in the time

1                   period described in such subparagraph, in  
2                   addition to making such payment, such  
3                   plan or nonparticipating provider or facil-  
4                   ity shall also pay to the nonparticipating  
5                   provider or facility or plan (as applicable)  
6                   an amount that is three times the dif-  
7                   ference between—

8                         “(I) the initial payment (or, in  
9                         the case of a notice of denial of pay-  
10                         ment, \$0) described in subsection  
11                         (a)(1)(C)(iv)(I) or (b)(1)(C), as appli-  
12                         cable; and

13                         “(II) the out-of-network rate (as  
14                         defined in subsection (a)(3)(K)) for  
15                         such item or service (less any cost  
16                         sharing required to be paid by the in-  
17                         dividual receiving such item or serv-  
18                         ice).

19                         “(ii) INTEREST.—A late payment pen-  
20                         alty under clause (i) shall also be subject  
21                         to interest in a manner specified by the  
22                         Secretary.”.

23                         (2) AIR AMBULANCE SERVICES.—Section  
24                         9817(b)(6) of the Internal Revenue Code of 1986 is  
25                         amended—

1                             (A) in the paragraph heading, by inserting  
2                             “; PENALTY FOR LATE PAYMENT OR NON-PAY-  
3                             MENT” after “PAYMENT”;

4                             (B) by striking “The total plan” and in-  
5                             serting the following:

6                             “(A) TIMING OF PAYMENT.—The total  
7                             plan”;

8                             (C) in subparagraph (A), as so inserted, by  
9                             adding at the end the following new sentence:  
10                             “In the case such determination is an amount  
11                             less than the sum of the initial payment for  
12                             such item or service and any cost sharing re-  
13                             quired to be paid by the individual receiving  
14                             such item or service, the nonparticipating pro-  
15                             vider or facility furnishing such item or service  
16                             shall pay to such plan the difference between  
17                             such determination and such sum not later than  
18                             30 days after the date on which such deter-  
19                             mination is made.”; and

20                             (D) by adding at the end the following new  
21                             subparagraphs:

22                             “(B) NOTIFICATION.—In the case of a  
23                             plan, or a nonparticipating provider or facility,  
24                             required to make a payment pursuant to a de-  
25                             termination described in subparagraph (A),

1       such plan or nonparticipating provider or facil-  
2       ity shall submit to the Secretary a notification  
3       of such payment as of the date such payment  
4       is made in a manner specified by the Secretary.

5                 “(C) PENALTY FOR LATE PAYMENT OR  
6       NON-PAYMENT.—

7                 “(i) IN GENERAL.—In the case of a  
8       plan, or a nonparticipating provider or fa-  
9       cility, that has not made the required pay-  
10      ment described in subparagraph (A) with  
11      respect to an item or service in the time  
12      period described in such subparagraph, in  
13      addition to making such payment, such  
14      plan or nonparticipating provider or facil-  
15      ity shall also pay to the nonparticipating  
16      provider or facility or plan (as applicable)  
17      an amount that is three times the dif-  
18      ference between—

19                 “(I) the initial payment (or, in  
20      the case of a notice of denial of pay-  
21      ment, \$0) described in subsection  
22      (a)(3)(A); and

23                 “(II) the out-of-network rate (as  
24      defined in section 9816(a)(3)(K)) for  
25      such item or service (less any cost

1                   sharing required to be paid by the in-  
2                   dividual receiving such item or serv-  
3                   ice).

4                   “(ii) INTEREST.—A late payment pen-  
5                   alty under clause (i) shall also be subject  
6                   to interest in a manner specified by the  
7                   Secretary.”.

8 **SEC. 4. TRANSPARENCY REPORTING REQUIREMENTS.**

9                   (a) PHSA.—Section 2799A–1(a)(2)(A)(iii) of the  
10 Public Health Service Act (42 U.S.C. 300gg–  
11 111(a)(2)(A)(iii)) is amended to read as follows:

12                   “(iii) REPORTING.—

13                   “(I) INITIAL REPORTING.—Be-  
14                   ginning for 2022 and ending on De-  
15                   cember 31 of the calendar year in  
16                   which the No Surprises Act Enforce-  
17                   ment Act is enacted, the Secretary  
18                   shall annually submit to Congress a  
19                   report on the number of plans and  
20                   issuers with respect to which audits  
21                   were conducted during such year pur-  
22                   suant to this subparagraph.

23                   “(II) SUBSEQUENT REPORT-  
24                   ING.—

1                         “(aa) IN GENERAL.—With  
2 respect to the first calendar year  
3 following the date of the enact-  
4 ment of the No Surprises Act  
5 Enforcement Act, not later than  
6 February 1 of such year, and  
7 every 6 months thereafter, the  
8 Secretary, in coordination with  
9 the Secretary of Labor and the  
10 Secretary of the Treasury, shall  
11 submit to the Committee on  
12 Ways and Means, the Committee  
13 on Energy and Commerce, and  
14 the Committee on Education and  
15 the Workforce of the House of  
16 Representatives, and the Com-  
17 mittee on Finance and the Com-  
18 mittee on Health, Education,  
19 Labor and Pensions of the Sen-  
20 ate, a report on any audits con-  
21 ducted pursuant to this subpara-  
22 graph during the applicable re-  
23 porting period, and any enforce-  
24 ment actions taken during such  
25 period in accordance with the

provisions of this part, including—

“(AA) the total number of audits conducted under this subparagraph;

“(BB) the number of audits conducted pursuant to clause (ii)(I);

“(CC) the number of complaints submitted by providers and by participants, beneficiaries, and enrollees with respect to a violation of this part;

“(DD) any enforcement actions taken as a result of a complaint submitted by a provider or by a participant, a beneficiary, or an enrollee, with respect to the provisions of this part;

“(EE) the total number of, and the aggregate dollar amount of, any civil mone-

“(GG) a description of  
the 3 most commonly re-  
ported violations of this  
part.

21 (b) IRC.—Section 9816(a)(2)(A)(iii) of the Internal  
22 Revenue Code of 1986 is amended to read as follows:

### **23                          "(iii) REPORTING.—**

“(aa) IN GENERAL.—With respect to the first calendar year following the date of the enactment of the No Surprises Act Enforcement Act, not later than February 1 of such year, and every 6 months thereafter, the Secretary, in coordination with the Secretary of Labor and the Secretary of Health and Human Services, shall submit to the Committee on Ways and Means, the Committee on Energy and Commerce, and the Committee on Education and Workforce of

the House of Representatives,  
and the Committee on Finance  
and the Committee on Health,  
Education, Labor and Pensions  
of the Senate, a report on audits  
performed pursuant to this sub-  
paragraph during the applicable  
reporting period, and any en-  
forcement actions taken during  
such period in accordance with  
the provisions of an applicable  
section, including—

1                         “(DD) any enforcement  
2                         actions taken pursuant to a  
3                         violation of an applicable  
4                         section;

5                         “(EE) the total number  
6                         of, and the aggregate dollar  
7                         amount of, any civil mone-  
8                         tary penalties issued in ac-  
9                         cordance with an applicable  
10                         section;

11                         “(FF) a summary of  
12                         any non-monetary corrective  
13                         action taken against a group  
14                         health plan for a violation of  
15                         an applicable section; and

16                         “(GG) a description of  
17                         the 3 most commonly re-  
18                         ported violations of an appli-  
19                         cable section.

20                         “(bb)      DEFINITIONS.—In  
21                         this subclause:

22                         “(AA) APPLICABLE RE-  
23                         PORTING PERIOD.—The  
24                         term ‘applicable reporting  
25                         period’ means the 6 month

1                   period prior to each report  
2                   submitted under item (aa).

3                   “(BB)       APPLICABLE  
4                   SECTION.—The term ‘appli-  
5                   cable section’ means this  
6                   section and each of sections  
7                   9817 through 9825.”.

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