



# TaxNewsFlash

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## Notice 2023-4: Indexing factor for use by group health plans and health insurance issuers in 2023

The IRS today released an advance version of Notice 2023-4 providing the combined percentage increase—indexing factor—to be used by group health plan and health insurance issuers to calculate the “qualifying payment amount” for items and services provided during 2023.

Read [Notice 2023-4](#) [PDF 171 KB]

### Background

The “No Surprises Act” was enacted as part of the Consolidated Appropriations Act, 2021. The measures were enacted to protect participants, beneficiaries, and enrollees in group health plans and group and individual health insurance coverage from surprise medical bills when they receive emergency services, non-emergency services from nonparticipating providers at participating facilities, and air ambulance services from nonparticipating providers of air ambulance services (under certain circumstances).

Regulations were issued in July 2021 to implement provisions under the “No Surprises Act” and to set forth the methodology for calculating the qualifying payment amount—defined generally as the plan’s median contracted rate for the same or similar item or service, indexed for inflation. The regulations also state that the IRS and Treasury Department will annually issue guidance with the indexing factor (rounded to 10 decimal places).  
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### Notice 2023-4

Today’s notice provides that for items and services provided on or after January 1, 2023, and before January 1, 2024, the combined percentage increase to adjust the median contracted rate is 1.0768582128.

Group health plans and group and individual health insurance issuers may round any resulting qualifying payment amount to the nearest dollar.

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