

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 03, 2022

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Souza, Senators Martin, Lakey, Guthrie, Agenbroad, Riggs, Ward-Engelking, and Burgoyne

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Patrick** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:31 p.m.

S 1354 **Relating to Barber and Cosmetology Services.** **Senator Harris** stated this legislation allowed high schools students who had completed two years of high school to enroll in a licensed barber or cosmetology program and begin accruing training hours during their junior year. He noted the legislation clarified the previous age requirement of 16-1/2 years old applied to the qualification for licensure at the time of application. **Senator Harris** said a high school student enrolled in a licensed program may be under 16-1/2 years of age while accruing the course of instruction hours required for licensure. There would not be an impact on the General Fund or any dedicated or federal fund because the proposed legislation did not change any fee schedules or financially impact the Barbers and Cosmetology Board or Idaho Division of Occupational and Professional Licenses (IDOPL) dedicated fund.

MOTION: **Vice Chair Souza** moved to send **S 1354** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

S 1297 **OCCUPATIONAL LICENSES - Adds to existing law to provide for the confidentiality of investigation records.** **Tim Frost**, Deputy Administrator, IDOPL, reported this bill allowed for the IDOPL boards or commissions and IDOPL staff to share investigatory information regarding licensees with other boards and commissions to create efficiency within IDOPL investigations. The bill ensured all complaints, investigations, and informal proceeding records were exempt from disclosure under the Public Records Act. This bill was held at the Call of the Chair until an opinion could be rendered by the Idaho Attorney General. Being satisfied with the Attorney General's opinion, this item was placed on the agenda for a hearing.

MOTION: **Senator Burgoyne** moved to send **S 1297** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

S 1355 **RELATING TO NOTIFICATION PROCESS FOR THE CREDIT UNION.** **Senator Wintrow** stated this legislation established the notification process for a credit transaction that was secured by a subordinate lien on real property when the senior mortgage or other senior secured interest on real property came under foreclosure. **Senator Wintrow** indicated this legislation established a process for communicating between a financial institution and a lienholder, and or any appropriations or any future increase in appropriations. There was no anticipated fiscal impact.

DISCUSSION: **Chairman Patrick** referred to the "last known address" in the bill and queried if a person just lost their house, would they have another address. **Senator Wintrow** stated 90 days was determined to be sufficient and hoped people filed a forwarding address.

Senator Agenbroad asked if this bill changed the statute of limitations. **Senator Wintrow** stated the conditions and terms of the note did not change.

Vice Chair Souza queried if the reminder was sent and there was no response, was there a responsibility on the lender's part to keep sending notifications. **Senator Wintrow** indicated there was no obligation for the lender to continue sending out reminders. **Senator Burgoyne** commented this bill helped the former homeowner and the lienholder.

TESTIMONY: **Trent Wright**, President and Chief Executive Office of the Idaho Bankers Association, testified he worked with Senator Wintrow extensively on this bill and he was in support of the bill.

DISCUSSION: **Senator Lakey** and **Mr. Wright** discussed the kind of notification presently provided for foreclosures.

MOTION: **Senator Ward-Engelking** moved to send **S 1355** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

S 1300 **CONSUMER PROTECTION - Amends existing law to prohibit taking advantage of a disaster or an emergency by charging exorbitant or excessive prices for temporary health care services.** **Robert VandeMerwe**, Executive Director, Idaho Health Care Association, remarked this legislation addressed the predatory pricing staffing agencies were charging health care providers for interim staffing during the health care emergency. He noted there would likely be an unknown savings to the General Fund as these costs were allowable expenses under the Medicaid reimbursement system. Limiting predatory pricing for interim health care staff would limit Medicaid expenses.

DISCUSSION: In response to several questions from the Committee, **Mr. VandeMerwe** noted when using a staffing agency there were instances where staffing services had hired employees away from employers and leased them back at a higher rate. He stated facilities try not to use staffing agencies for that reason. In addition, he discussed how price gouging would be determined with an investigation by the Attorney General's office. He indicated this bill did not address the employee, but the larger businesses providing temporary workers. He explained this bill was brought forth because prices of the staffing agencies was increased exponentially, with the last two years rising by 200 to 300 percent. This bill did not set prices.

Vice Chair Souza expressed a concern about traveling nurses who had to pay for travel, lodging, and meals. She stated she thought the staffing company took all of that into consideration. She queried if there should be a distinguishing factor for traveling nurses that came from another part of the country as opposed

to those who worked close to home. **Mr. VandeMerwe** stated this could be a factor.

Senator Burgoyne questioned whether the definition of a temporary worker as opposed to the individual was not clearly defined. He stated he thought it was an easy fix to make the terms more precise and recommended the bill be sent to the amending order.

TESTIMONY: **Steve LaForte**, General Counsel, Director of Corporate Affairs, Cascadia Health Care, testified in support of the bill. He remarked there was a staffing shortage crisis. He stated wages were raised over 12 percent but staffing agencies raised fees between 89 to 117 percent. Facilities did not operate on a free market principle. He stated agencies were not regulated.

DISCUSSION: **Vice Chair Souza** and **Mr. LaForte** discussed how the current administration in Washington, D.C. was not moving forward to increase payments for Medicare and Medicaid. **Mr. LaForte**, in answer to questions from Vice Chair Souza, noted he wanted the final outcome of this legislation to prevent staffing agencies from price gouging and wanted what was reasonable. He stated agencies were entitled to make a profit, but private companies did not want to be crippled.

MOTION: **Senator Burgoyne** moved to send **S 1300** to the 14th Order of Business for possible amendment. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**. Senators Lakey and Martin voted nay.

S 1269 **INSURANCE - Amends existing law to provide certain limitations on coverage.** **Senator Riggs** introduced the presenters for this bill, namely, Matt Andrew, Attorney; Daniel Luker, Attorney; and Representative Ruchti. **Senator Riggs** stated there would possibly be more presenters.

Mr. Andrew reported this proposed legislation would eliminate the problem of phantom insurance by offsetting excess coverage or stacking, in addition to any amounts paid for by the "at fault" party. This insurance was protection if someone hurt an insured irresponsibly.

Senator Burgoyne disclosed for the record he had a conflict of interest pursuant to Senate Rule 39 (H), but intended to vote.

Daniel Luker, Attorney, cited several Idaho Supreme Court cases regarding non-access of insurance that an insured had paid for but was worth nothing. He said the courts said this was a legislative issue (Attachment 1).

DISCUSSION: **Senator Martin** and **Mr. Luker** discussed this legislation and why it was being addressed this year in response to what was asked of by the Committee. **Senator Riggs** remarked the reason he was involved was because something like this happened to him in 2003. The Legislature had a responsibility to do something.

PRESENTATION: **Representative Ruchti** noted uninsured motorists coverage was not accessible when a insured and the victim had the same amount of coverage. He went over the handouts provided to the Committee (Attachment 2) . He stated the underinsured motorist policies provided the consumer with little or no benefits. He stated the consumer should get what they pay for.

DISCUSSION: In answer to a question from **Vice Chair Souza**, **Representative Ruchti** noted State Farm was the only company that sold excess policy products on a voluntary basis. Other companies sold offset policies where the full value of the policy was not realized.

TESTIMONY: **Jeff Neumeyer**, Attorney, United Heritage Financial Group, spoke in opposition to the bill. He stated consumers did not understand how underinsured motorist coverage worked. He referred to several exhibits (Attachment 3).

DISCUSSION: **Senator Martin** and **Mr. Neumeyer** discussed the actual costs for an increase in rates if this bill passed. **Mr. Neumeyer** stated the price increase would be substantial. He stated rates were actuarially sound and had to be approved by the Idaho Department of Insurance. He referred again to the exhibits. He noted he opposed this bill as it was not good for policyholders.

TESTIMONY: **Joel Beck**, Attorney, practicing in Pocatello, Idaho, testified remotely in support of the bill. He remarked an auto insurance policy was not negotiable. Policyholders did not understand the ramifications of the limitations of coverage.

Written testimony in support of the bill was received from Maureen Moran, Caldwell (Attachment 4); DeLon Lee, Twin Falls and Erin Jones, Boise (Attachment 5). Jesse Llewellyn sent in written testimony in support of the bill.

Written testimony in opposition to the bill was received from Michael Kane, American Property Casualty Insurance Association and the National Association of Mutual Insurance Companies (Attachments 6 and 6A) and Stephen Thomas, Farm Bureau Mutual Insurance Company of Idaho (Attachment 7). **Chairman Patrick** stated the testimony and bills would be continued at the next meeting on March 10, 2022.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:00 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary