

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, February 24, 2026

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Foreman, Vice Chairman Lenney, Senators Lakey, Guthrie, Nichols, Bernt, Zito, Ward-Engelking, and Ruchti

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 Foreman** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Vice Chairman Lenney** moved to approve the Minutes of February 12, 2026. **Senator Zito** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL REAPPOINTMENT VOTE: **Committee Vote on the Gubernatorial Reappointment of Trent Nate to the Idaho Health Insurance Exchange Board (IHIEB).** **Senator Guthrie** moved to approve the Gubernatorial Reappointment of Trent Nate to the IHIEB. **Senator Bernt** seconded the motion. The motion carried by **voice vote**.

S 1274 **HUMAN RESOURCES - Amending existing law to remove obsolete language relating to since passed dates and transfer of benefits to the new public defender system.** **Senator Lakey** noted this bill was a part of a broader code cleanup to remove obsolete statutory sections. The bill deleted outdated Idaho Code provisions, including sections related to the transition of former county public defender employees to the State Public Defender System. **Senator Lakey** noted the vacation times were already resolved. Old references to comp time for specific pay periods were deleted that were no longer needed. There was a 1994-era requirement for departments to establish an employee problem-solving procedure, which was already implemented decades earlier.

MOTION: **Senator Bernt** moved to send **S 1274** to the floor with a **do pass** recommendation. **Senator Ruchti** seconded the motion. The motion carried by **voice vote**.

S 1275 **Public Employee Retirement System of Idaho (PERSI) - Amends and repeals existing law to remove obsolete language.** **Senator Lakey** explained this bill was a code cleanup of Veterans' Services Assets. He stated this bill removed provisions that had governed veterans' services assets formerly held in trust by the Department of Health and Welfare, which had already been transferred to the Division of Veterans' Services in 2000. The provisions related to the construction and funding of the North Idaho Veterans' Home were removed since the home had already been completed.

MOTION: **Senator Nichols** moved to send **S 1275** to the floor with a **do pass** recommendation. **Senator Bernt** seconded the motion. The motion carried by **voice vote**.

S 1273

VETERANS - Amends and repeals existing law to remove obsolete and outdated provisions relating to the Division of Veterans Services. Senator Lakey remarked this was a code cleanup for old retirement and disbursement provisions. He noted this bill repealed multiple outdated sections, including disbursement provisions tied to old college or community college accounts; transfers of summer funds from college accounts to the Public Employees Retirement System of Idaho (PERSI), which had already occurred decades earlier; provisions dealing with mergers of city retirement plans into PERSI, completed in the early 1970's; old provisions governing firefighter and employee retirement benefits for people hired before specific historical dates, whose benefits were now governed by newer sections; and an obsolete provision regarding a safety director.

MOTION:

Senator Nichols moved to send **S 1273** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1319

INSURANCE - Adds to existing law to establish the Emergency Care Affordability Act. Senator Bernt stated this bill created a new chapter in Idaho Code, Title 41, Chapter 67, to regulate billing and reimbursement practices for out-of-network, freestanding emergency rooms (ER's). He described the key elements: 1) established a State payment standard. When an out-of-network freestanding ER treated a patient covered by a State-regulated health plan, it had to accept the in-network allowed amount for the same service in the same geographic area as payment in full. 2) This bill targeted freestanding ER's only. It applied to freestanding emergency facilities that were separate from licensed hospital systems which often used out-of-network reimbursement strategies. Idaho hospital systems and critical access hospitals were excluded. 3) Required Medicare, Medicaid, TRICARE disclosure. If a freestanding ER did not participate in Medicare, Medicaid, or TRICARE, it had to disclose that to the patient after stabilization. 4) Allowed voluntary opt-in for self-funded plans; 5) Provided an enforcement mechanism for compliance. **Senator Bernt** reported supporters repeatedly stated that the bill did not create a government price cap overall, but instead locked in payment at the market in-network rate for these specific facilities. **Senator Bernt** yielded his time to Mike Reynoldson, Blue Cross of Idaho.

TESTIMONY:

Mike Reynoldson, representing Blue Cross of Idaho, testified at length about the federal "No Surprises Act" (NSA), implemented in 2022, which was intended to eliminate surprise billing when patients unknowingly received care from out-of-network providers. He also talked about the Independent Dispute Resolution (IDR) process created under the NSA. He explained when the insurer and provider could not agree on payment, both submitted offers to a certified IDR entity, which chose one. He noted that Blue Cross and other insurers supported eliminating surprise billing, but opposed what they characterized as a new business model exploiting the IDR process.

He explained that a freestanding ER operator in Idaho routed nearly 100 percent of its emergency claims through IDR, instead of negotiating typical contracts. Other Idaho ER's generated about 14 IDR cases per month collectively. This single freestanding ER generated about 280 IDR cases per month.

Mr. Reynoldson presented examples of price disparities between the market rate (in-network allowed amount) versus the freestanding ER's billed amount, such as urinary tract infections where the market rate was \$521 but the freestanding ER claims rate was \$3,187, which was six times the market rate. A sprain was \$1,700 at the market rate but the freestanding ER's claimed \$8,588 (approximately five times the market rate). He stated that the IDR entities were mostly on the East Coast, and he described the process as 100 percent broken and biased, which

was not reflecting Idaho's market conditions. **Mr. Reynoldson** identified the Idaho facility as Post Falls ER and Hospital, owned by Nutex, a Texas-based, publicly traded company.

Mr. Reynoldson argued that rising emergency care reimbursement at this facility would flow through into higher premiums for Idaho insurers, including the State employee health plan and other Idahoans. The business model avoided Medicare, Medicaid, and TRICARE, because those payers were not included in the NSA and could not be run through IDR. Those populations of seniors, military, and low income, likely bore more direct financial risk, even though freestanding ER's were still required under the Emergency Medical Treatment and Active Labor Act (EMTALA) to stabilize patients.

DISCUSSION:

Senator Ruchti revisited the intent of the NSA, referencing typical scenarios where patients unknowingly saw out-of-network providers, for example anesthesiologists, at in-network facilities. **Mr. Reynoldson** confirmed NSA had eliminated balance billing in those situations. This bill did not change those hospital-based scenarios, it only targeted freestanding ER's.

Vice Chairman Lenney queried who wrote the bill and what the hospital association thought about the bill. **Mr. Reynoldson** indicated that Blue Cross brought this bill forward due to a high volume of reimbursement claims. The hospital association was okay with this legislation. **Vice Chairman Lenney** indicated that this bill targeted one entity. **Mr. Reynoldson** noted this had been a growing issue seen across the country. **Senator Zito** asked for clarification between free-standing ER's and other critical access hospitals. **Mr. Reynoldson** explained all entities provided ER care. Most hospitals worked together when it came to providing care for Idahoans. They were all there for the long-term. **Senator Zito** remarked the critical issue was that the ER's contracted with the insurance companies, but the ER stand-ups did not.

Senator Nichols and **Mr. Reynoldson** discussed the IDR process, payments at the local market rate, and the arbitration process.

A discussion ensued among the Committee members and **Mr. Reynoldson** said that this bill did not change those hospital-based scenarios, it only targeted freestanding ER's. Trade-off around preemption and State authority under the NSA were discussed. The Centers for Medicare and Medicaid Services (CMS) guidance allowed states to set their own payment standards for certain NSA aspects. He noted State law could co-exist with the federal scheme rather than be preempted.

In response to several questions posed by **Vice Chairman Lenney**, **Mr. Reynolds** stated for commercially insured patients, the immediate bill to the patient often looked the same, because of NSA's balance billing protections. The cost difference mainly showed up later in premium increases and public plan costs. For TRICARE, Medicare, Medicaid, and uninsured patients, the risk of large direct bills remained, since those programs were outside the NSA's arbitration framework.

Vice Chairman Lenney and **Senator Nichols** expressed concerns this bill singled out one specific business model and, in practice, one facility. Equal protection or fairness might raise issues by treating freestanding ER's differently from hospital-based ER's. **Mr. Reynoldson** explained no other Idaho ER used this high-volume IDR strategy or extreme price multiples. Traditional hospitals and critical access hospitals worked through negotiated contracts and long-term relationships, even amid disputes.

Mr. Reynoldson remarked these practices could already be costing the State employee health plan hundreds of thousands of dollars per year. Those costs were expected to grow, especially with a new freestanding ER site planned in Meridian.

TESTIMONY:

Stephen Thomas, Idaho Association of Health Plans (Blue Cross, Regence Blue Shield, Pacific Source, and Select Health), testified in support of the bill. He emphasized that the federal NSA specifically preserved room for state-level regulation in this area through specified State laws.

Adrean Cavener, Director, Regence Blue Shield, testified in support of the bill. She stated this practice had cost Idahoans thousands. She cited further examples of extreme IDR awards. For example, she stated a urine pregnancy test was \$14 over-the-counter. The IDR award was \$141. A computed tomography (CT) abdominal scan was normally \$586, but the IDR award was \$11,718. She estimated the potential annual cost to Idaho's public employee plan could easily exceed \$600,000 as utilization grew.

MOTION:

Senator Guthrie moved to send **S 1319** to the floor with a **do pass** recommendation. **Senator Ruchti** seconded the motion.

DISCUSSION:

Senator Guthrie noted that health care costs were already escalating sharply, including projected large increases to the State employee insurance budget.

Vice Chairman Lenney expressed a concern that there was a billion dollar corporation that was losing to one ER that opened up about a year ago. They were not doing anything illegal. **Senator Lakey** stated he did not like it when government put their fingers on the private market. He struggled with the idea that this was a business in Idaho operating in a federal described "sandbox" where the insurance carrier was required to participate and pay. He stated the problem was that this situation was not the free market and he saw the impact on rate payers and to the State with excessive fee amounts that was increasing every year. He stated he was in support of the motion

Senator Ruchti remarked he was in support of the motion and that he did not think Idaho's rate payers should be paying for arbitration. **Senator Ward-Engelking** stated she was in support of the motion.

Senator Nichols stated she was not in support of the motion because the playing field was not level and a certain entity was being targeted.

**ROLL CALL
VOTE:**

Chairman Foreman called for a roll call vote. **Senators Lakey, Guthrie, Bernt, Ward-Engelking, Ruchti,** and **Chairman Foreman** voted aye: **Senators Nichols, Zito,** and **Vice Chairman Lenney** voted nay. The motion carried.

ADJOURNED:

There being no further business at this time, **Chairman Foreman** adjourned the meeting at 2:44 p.m.

Senator Foreman
Chair

Linda Kambeitz
Secretary