



MISSOURI HOUSE OF REPRESENTATIVES
WITNESS APPEARANCE FORM

BILL NUMBER: HB 2874		DATE: 2/16/2026	
COMMITTEE: Insurance			
TESTIFYING: <input checked="" type="checkbox"/> IN SUPPORT OF <input type="checkbox"/> IN OPPOSITION TO <input type="checkbox"/> FOR INFORMATIONAL PURPOSES			
WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: ARNIE "HONEST-ABE" DIENOFF-STATE PUBLIC ADVOCATE		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: In-Person	SUBMIT DATE: 2/16/2026 11:42 PM	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

I am in Support of this Bill. This Bill is great Customer Protection for Missourians and is needed.



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WITNESS NAME			
BUSINESS/ORGANIZATION:			
WITNESS NAME: DOUG FLANDERS		PHONE NUMBER: 720-385-9001	
BUSINESS/ORGANIZATION NAME: AIR METHODS		TITLE: VP STATE GOVERNMENT AFFAIRS	
ADDRESS: 5500 SOUTH QUEBEC			
CITY: GREENWOOD VILLAGE		STATE: CO	ZIP: 80111
EMAIL:	ATTENDANCE:	SUBMIT DATE: 2/16/2026 12:00 AM	
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WITNESS NAME			
INDIVIDUAL:			
WITNESS NAME: SARAH BERRY		PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:		TITLE:	
ADDRESS:			
CITY:		STATE:	ZIP:
EMAIL:	ATTENDANCE: Written	SUBMIT DATE: 2/12/2026 2:33 PM	
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Chair and Members of the Committee:

The mission of HB 2874 appears straightforward: protect MO HealthNet beneficiaries from purchasing air ambulance membership agreements that may duplicate coverage or create confusion.

The objective is logical.

The implementation, however, ventures into contested jurisdiction.

In matters touching air transport, one must always consult the Federation Charter — in our case, the Airline Deregulation Act (ADA), 49 U.S.C. § 41713(b), which preempts state laws “related to a price, route, or service of an air carrier.”

Air ambulance providers frequently qualify as air carriers under federal aviation law. Federal courts have consistently held that states may not regulate air ambulance pricing structures or service-related offerings where such regulation relates to price or service.¹

HB 2874 does not directly regulate price.

But it regulates the sale, renewal, and marketing of agreements whose central purpose is to pay for air ambulance services. And it subjects those agreements to enforcement under Missouri’s Merchandising Practices Act (Chapter 407), which carries injunctive and penalty authority.

When a state statute begins to affect how an air carrier may structure or offer its service-related financial arrangements, preemption shields activate.

This is not conjecture. It is precedent.

I. Federal Preemption Vector

The ADA’s preemption clause has been interpreted broadly.² If Missouri enforces Chapter 407 in a manner that constrains how air ambulance membership organizations design, market, or renew their agreements, litigation will almost certainly test whether the statute “relates to” air carrier services.

The Supremacy Clause controls that analysis. U.S. Const. art. VI, cl. 2.

Starfleet Assessment: Moderate-to-high likelihood of federal preemption challenge if enforcement

extends beyond pure disclosure requirements.

II. MO HealthNet Exclusion – Rational Basis, But Record Required

HB 2874 prohibits selling or renewing memberships for individuals enrolled in MO HealthNet.

Medicaid status is not a suspect classification; rational basis review would apply.³ However, categorical exclusion must still be rationally tethered to a legitimate state interest.

If the objective is prevention of duplication, fraud, or misleading marketing, the legislative record should say so explicitly.

Absent findings, the prohibition invites litigation framing the statute as an arbitrary denial of contractual freedom to a defined class.

Courts defer to legislatures. But courts also require a discernible mission objective.

III. The Thirty-Day Refund Window – Procedural Vulnerability

The bill conditions prorated refunds on notice within thirty days of Medicaid enrollment. After that, no refund.

This structure creates foreseeable friction:
MO HealthNet enrollment often follows life disruptions.

Vulnerable individuals may not notify within thirty days.

The organization must still disenroll the member upon notice — but without refund.

That asymmetry will produce complaints and potential claims of arbitrary deprivation of prepaid consideration.

If the goal is consumer protection, rigid procedural barriers undermine it.

IV. Commerce Clause Considerations

Air ambulance membership organizations often operate across multiple states. HB 2874 is facially neutral, but if enforcement effectively burdens interstate offerings unique to Missouri, Dormant Commerce Clause arguments may arise.

States may regulate truthfulness.
They may not erect invisible sector shields.

V. Strategic Revision Path

If the Committee intends to proceed, risk mitigation is achievable:

Limit the statute to disclosure-based protections rather than categorical prohibitions.

Add legislative findings clarifying the consumer-harm rationale.

Replace the 30-day refund cutoff with a reasonable equitable adjustment standard.

Clarify that the statute does not regulate air carrier pricing or services in a manner inconsistent with federal law.

Precision reduces turbulence.

HB 2874 implicates federal preemption principles under 49 U.S.C. § 41713(b) when applied to air ambulance membership organizations that qualify as air carriers.

Enforcement under Chapter 407 may invite Supremacy Clause challenges. Additionally, the rigid refund

structure presents foreseeable fairness disputes. Clarification and narrowing amendments would materially reduce litigation exposure.

Missouri can require transparency. What it cannot safely do is regulate air carrier-related offerings in a way that triggers federal preemption. HB 2874, as drafted, risks stepping into that jurisdictional boundary.

Fiscal Exposure Summary:

Primary fiscal risk arises from federal preemption litigation under the Airline Deregulation Act and associated Supremacy Clause challenges. If challenged, the State may incur Attorney General defense costs and potential injunction-related revisions. Secondary exposure includes increased consumer complaint enforcement workload tied to the rigid refund window and categorical Medicaid exclusion.

This bill reflects a recurring pattern: using broad consumer-protection enforcement statutes to regulate industries operating in federally preempted transportation space. That approach repeatedly triggers ADA preemption litigation in the air ambulance sector.