

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF IDAHO

PacificSource Community Health Plans v. Dean L. Cameron, in his official capacity as Director of the Idaho Department of Insurance

Case No. 1:25-cv-00638-DCN (D. Idaho Dec. 4, 2025) · No. 1:25-cv-00638-DCN · Decided December 4, 2025

SUMMARY

The United States District Court for the District of Idaho granted PacificSource Community Health Plans’s motions for a temporary restraining order and expedited consideration in its preemption challenge to Idaho enforcement proceedings. The court concluded that federal Medicare Advantage regulations likely preempted Idaho regulation of enrollment materials and broker compensation. The court enjoined the Director from enforcing Idaho unfair competition law against PacificSource based on the challenged interpretations, conditioned on a \$5,000 security, and set a consolidated hearing for December 18, 2025.

CASE DETAILS

COURT	United States District Court for the District of Idaho
WRITING FOR THE COURT	David C. Nye
JURISDICTION	United States District Court for the District of Idaho
DECIDED	December 4, 2025
DOCKET	1:25-cv-00638-DCN
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff sought a temporary restraining order and expedited consideration to enjoin the Idaho Director of Insurance from enforcing Idaho unfair-competition law against it while the court considered a federal preemption challenge. The Director opposed the motion and moved to dismiss, including on Younger abstention and cause-of-action grounds.
STANDARD OF REVIEW	A temporary restraining order requires the plaintiff to establish likelihood of success on the merits, likely irreparable harm absent relief, that the balance of equities favors relief, and that an injunction is in the public interest. The Ninth Circuit applies these Winter factors on a sliding scale, and likelihood of success is the most important factor.

PRECEDENTIAL VALUE

Unknown; interlocutory district-court memorandum decision and order granting a temporary restraining order.

TOPICS

medicare medicaid insurance administrative law federalism injunctions

PRACTICE AREAS

health law administrative law federal courts insurance civil procedure

QUESTIONS PRESENTED

1. Whether PacificSource was entitled to a temporary restraining order under the Winter factors.
2. Whether the Medicare Advantage preemption statute and related federal regulations likely preempt Idaho's regulation of PacificSource's enrollment materials and broker compensation practices.
3. Whether PacificSource could pursue defensive declaratory relief by borrowing the Director's anticipated Idaho-law enforcement cause of action.
4. Whether the temporary restraining order should be expedited, limited to the parties, and conditioned on security.

HOLDINGS

1. PacificSource established each Winter factor and was entitled to a temporary restraining order preserving the status quo while the court considered the merits and the pending motion to dismiss.
2. At the preliminary-relief stage, PacificSource was likely to succeed in showing that federal Medicare Advantage standards preempt Idaho law insofar as the state enforcement action prohibited PacificSource from removing or limiting access to enrollment materials.
3. At the preliminary-relief stage, PacificSource was likely to succeed in showing that 42 C.F.R. § 422.2274(c)(13) preempts Idaho regulation of its broker-compensation practices.
4. PacificSource's action was properly characterized, at this stage, as a defensive declaratory judgment action that could borrow the Director's anticipated Idaho enforcement cause of action; the court did not require PacificSource to identify an independent cause of action under the Medicare statutes.

KEY QUOTATIONS

"If the federal standard regulates in the same domain as state law—even if the state law is consistent with the federal standard, and even if the state law is generally applicable—the state regulation is preempted."
(Section IV.A.1)

"A defensive declaratory judgment action is a mirror image of an ordinary lawsuit." (Section IV.A.1)

"Medicare law is famously intricate, and this case appears to be no exception." (Section IV.B)

FACTUAL BACKGROUND

PacificSource Community Health Plans is an insurer offering Medicare Advantage plans and pays commissions to insurance brokers who refer beneficiaries. In October 2025, PacificSource announced changes to broker commissions and allegedly made some plans noncommissionable and removed or limited access to enrollment materials. The Idaho Director of Insurance issued Bulletin No. 25-06, investigated PacificSource, and issued an amended cease-and-desist order alleging that PacificSource’s conduct violated Idaho unfair-competition law.

PROCEDURAL HISTORY

The Director opened an investigation into PacificSource Community Health Plans and issued an amended cease-and-desist order alleging violations of Idaho Code section 41-1321. PacificSource filed this federal action on November 6, 2025, seeking declaratory relief based on federal preemption, and simultaneously moved for emergency injunctive relief. The district court granted the temporary restraining order and motion to expedite, imposed a \$5,000 security requirement, and consolidated further consideration with the pending motion to dismiss; the Younger abstention issue remained unresolved.

DISPOSITION

other

CASES CITED

- *Siino v. Foresters Life Ins. & Annuity Co.*, 133 F.4th 936, 945 (9th Cir. 2025)
- *City of Reno v. Netflix, Inc.*, 52 F.4th 874, 878-79 (9th Cir. 2022)
- *W. Watersheds Project v. Bernhardt*, 391 F. Supp. 3d 1002, 1008 (D. Or. 2019)
- *CTIA-The Wireless Ass'n v. City of Berkeley*, 854 F.3d 1105, 1114 (9th Cir. 2017)
- *Winter v. Nat. Res. Def. Council, Inc.*, 555 U.S. 7, 20, 22 (2008)
- *Stuhlbarg Intern. Sales Co., Inc. v. John D. Brushy & Co., Inc.*, 240 F.3d 832, 839 n.7 (9th Cir. 2001)
- *Fraihat v. United States Immigration & Customs Enforcement*, 16 F.4th 613, 635 (9th Cir. 2021)
- *Villegas Lopez v. Brewer*, 680 F.3d 1068, 1072 (9th Cir. 2012)
- *Aylward v. SelectHealth, Inc.*, 35 F.4th 673, 681 (9th Cir. 2022)
- *Am. Trucking Associations, Inc. v. City of Los Angeles*, 559 F.3d 1046, 1057-60 (9th Cir. 2009)
- *Fellowship of Christian Athletes v. San Jose Unified Sch. Dist. Bd. of Educ.*, 82 F.4th 664, 695 (9th Cir. 2023)
- *Labrador v. Poe*, 144 S. Ct. 921, 923 (2024)
- *Sprint Commc'ns, Inc. v. Jacobs*, 571 U.S. 69, 78 (2013)
- *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 671 (1950)
- *California Shock Trauma Air Rescue v. State Comp. Ins. Fund*, 636 F.3d 538, 543 (9th Cir. 2011)
- *Shaw v. Delta Air Lines, Inc.*, 463 U.S. 85, 96 n.14 (1983)
- *Armstrong v. Exceptional Child Ctr., Inc.*, 575 U.S. 320, 326-27 (2015)

