

## SUMMARY STATEMENT

*Medical Recovery Services v. Melanese, Docket No. 49996*

This appeal arose from a magistrate court decision denying the petition of Medical Recovery Services (“MRS”), a medical debt collector, to collect \$460 from Katrina Melanese, now Katrina Sullivan (“Sullivan”) for an emergency room (“ER”) visit in September 2017. In *Neumeier*, we held that if an implied-in-fact contract for services between a doctor and a patient includes the condition precedent that the doctor will submit the bill to the patient’s insurance before the patient is required to pay, then the patient does not incur a valid debt until the doctor submits the bill to the patient’s insurance. 163 Idaho 504, 510, 415 P.3d 372, 378 (2018). Here, Sullivan sought medical treatment during an ER visit. Intermountain Emergency Physicians group (“IEP”) used outdated insurance information and payment on Sullivan’s bill was denied. IEP assigned Sullivan’s bill to MRS for collection. MRS argued *Neumeier* did not apply here because the implied-in-fact contract between IEP and Sullivan did not include the required condition precedent. The magistrate court ruled in favor of Sullivan, and on intermediate appeal, the district court affirmed the magistrate court’s dismissal of the case.

The Idaho Supreme Court held that an implied in fact contract existed between IEP and Sullivan, just as in *Neumeier*, where IEP agreed to treat Sullivan and Sullivan agreed to pay for the services. The Court then held that the implied in fact contract was subject to a condition precedent. Sullivan’s obligation to pay was conditioned upon IEP first submitting Sullivan’s bill to insurance. By using outdated insurance information and failing to take efforts to obtain accurate information, IEP failed to satisfy the condition to bill insurance before seeking payment from Sullivan. Accordingly, the Court affirmed the district court. The Court awarded attorney fees to Sullivan under Idaho Code section 12-120(3).

***\*\*\*This summary constitutes no part of the opinion of the Court, but has been prepared by court staff for the convenience of the public.\*\*\****