

Jaren Wieland, ISB No. 8265  
MOONEY WIELAND WARREN  
512 W. Idaho St., Ste 103  
Boise, ID 83702  
t: 208.401.9219  
f: 888.234.8543  
jaren.wieland.service@mooneywieland.com

Aaron M. Zigler\*  
ZIGLER LAW GROUP, LLC  
308 South Jefferson Street, Suite 333  
Chicago, Illinois 60661  
t: 312.673.8427  
f: 312.535.5773  
aaron@ziglerlawgroup.com

*Counsel for Plaintiff and the Proposed Class*

*\*Pro Hac Vice Application Forthcoming*

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF IDAHO

**Nolan Anderson**, on behalf of himself  
individually, and on behalf  
of all others similarly situated,

Plaintiff,

vs.

**Interpath Laboratory, Inc.**, an Oregon  
corporation and **Praxis Health, P.C.** an  
Oregon Professional Corporation,

Defendants.

Case No.

**Class Action Complaint**

**Demand for Jury Trial**

Plaintiff Nolan Anderson (“**Plaintiff**”), on behalf of himself and all other similarly situated individuals, alleges the following against Interpath Laboratory, Inc. (“**Interpath**”) and Praxis Health, P.C. (“**Praxis**”) (collectively “**Defendants**”) as follows:

### **NATURE OF THE ACTION**

1. Often, obtaining medical services, whether emergency or routine, is a stressful and confusing experience. Unfortunately, for many that experience is followed by equally stressful and confusing medical-billing processes during which medical debt collectors ignore legitimate billing concerns and pressure consumers to pay cryptic and/or disputed invoices or face unknown collection costs and penalties.

2. Idaho’s legislature and courts have recognized the need to protect Idaho consumers from such exploitive and unfair billing practices through laws such as the Idaho Consumer Protection Act (ICPA) and Idaho Patient Act (IPACT) which prohibit unfair and misleading billing procedures and set forth specific statutory requirements medical providers must follow when billing patients.

3. Praxis, a healthcare network, and Interpath, a clinical laboratory, are both subject to ICPA and IPACT. Interpath and Praxis both provide medical services throughout Oregon, Washington, and Idaho. Praxis and Interpath are closely held by Adaugeo Healthcare Solutions, LLC, and share common managers, directors, administrative systems and the same headquarter address. Upon information and belief, Interpath regularly works with and provides laboratory testing for Praxis clinics and care facilities.

4. In August 2023, Plaintiff received routine medical treatment at Praxis’s Coeur d’Alene, Idaho, clinic which does business as Prairie Family Medicine (“**Prairie**”). At the

conclusion of the appointment, Plaintiff's provider did a blood draw and sent the samples to Interpath to be tested.

5. Plaintiff reasonably and in good faith disputed the amount Defendants charged for those services. While Plaintiff made several attempts to resolve the issue, Defendants refused to reasonably assist in addressing his claims or take any steps to ensure they were accurately charging him for the services he received. Then, despite knowing that Plaintiff disputed the debt owed, and without providing sufficient notification, Defendant Interpath sent his account to a third-party collection agency.

6. Upon information and belief, Defendants commonly engage in convoluted, unbending, and automated debt-collection practices such as those faced by Plaintiff. As detailed herein, Defendants' practices have resulted in Plaintiff and Class Members being subjected to harsh and unfair penalties, such as additional fees and credit hits. Through this Complaint, Plaintiff seeks to remedy such harms on behalf of himself and all similarly situated individuals who have been subjected to Defendants' illegal debt-collection practices.

### **JURISDICTION AND VENUE**

7. This Court has subject-matter jurisdiction over this action pursuant to 28 U.S.C. § 1332(d). Plaintiff brings this civil action seeking to represent a class of more than 100 plaintiffs pursuant to Fed. R. Civ. P. 23. Plaintiff is a citizen of the State of Idaho. Defendants are both headquartered in Oregon and do business in Washington, Idaho, and Oregon. Plaintiff seeks an award exceeding \$5,000,000, exclusive of interest and costs, on behalf of himself and the putative class. Because Defendants do business in Washington, Idaho, and Oregon, Plaintiff believes that more than two-thirds of the putative class members are citizens of states other than

Idaho.

8. This Court has personal jurisdiction over Defendants because Plaintiff was foreseeably harmed by Defendants in this district, and because Defendants conduct substantial business in this district.

9. Venue is proper in this district under 28 U.S.C. § 1391(b). A substantial part of the events giving rise to Plaintiff's claims, namely Plaintiff's receipt of medical care at Prairie and receipt of medical lab services through Interpath, occurred in this District. Plaintiff's claims arise out of Defendants' contacts with Idaho.

#### PARTIES

10. Plaintiff is, and all times relevant hereto, has been a citizen of Idaho.

11. Praxis is an Oregon Professional Corporation headquartered in Pendleton, Oregon. As noted above, it does business in Washington, Oregon, and Idaho.

12. Interpath is an Oregon corporation also headquartered in Pendleton, Oregon that provides laboratory testing services to medical providers in Idaho, Washington, and Oregon.

#### **I. MEDICAL BILLING AND PATIENT RIGHTS REGULATION**

##### ***Idaho Patient Act (IPACT)***

13. Recognizing the significant harm that abusive and aggressive patient-billing practices imposes on Idahoans, the Idaho legislature passed IPACT in 2020.<sup>1</sup> IPACT

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<sup>1</sup> See Idaho Code § 48-301 et. Seq.

prohibits medical providers, including health care providers and health care facilities, from engaging in “extraordinary collection action” to recover debt allegedly owed by patients without first complying with specific statutory requirements. Under IPACT, providers have the burden of establishing compliance with those statutory requirements. Their failure to do so subjects them to statutory damages.

14. In relevant part, IPACT defines extraordinary collection actions as “selling, transferring, or assigning any amount of a patient’s debt to a third party, or otherwise authorizing any third party to collect the debt in a name other than the name of the health care provider” less than 60 days after sending the patient a Final Notice Before Extraordinary Collection Action (a “**Final Notice**”). I.C. § 48-303(3)(a)(i).

15. A Final Notice is a written notice that contains, at a minimum:

- (i) the patient’s name and contact information, including telephone number;
- (ii) the name and contact information, including telephone number, of the health care facility where the health care provider provided goods and services to the patient;
- (iii) a list of the goods and services that the health care provider provided to the patient during the patient’s visit to the health care facility, including the initial charges for the goods and services and the date the goods and services were provided, in reasonable detail;
- (iv) a statement that a full itemized list of goods and services provided to the patient is available upon the patient’s request;
- (v) the name of the third-party payors to which the charges for health care

services were submitted by the health care provider;

(vi) a detailed description of all reductions, adjustments, offsets, and third-party payor payments, including payments already received from the patient, that adjust the initial charges for the goods and services provided to the patient during the visit; and

(vii) the final amount that the patient is liable to pay after taking into account all applicable reductions. I.C. § 48-303(4)(a).

16. In addition to sending Final Notice, before taking extraordinary collection action, a provider must provide the patient with a Consolidated Summary of Services (“CSS”) within 60 days of the latest of: (i) the date the patient received services, (ii) the date of discharge, or (iii) the date first permitted by applicable billing code(s) published by the relevant national association. I.C. § 48-304(1)(b).

17. A CSS is written notice that contains, at a minimum:

- (i) the patient’s name and contact information, including telephone number;
- (ii) the name and contact information, including telephone number, of the health care facility that the patient visited;
- (iii) the date and duration of patient’s visit to the health care facility;
- (iv) a general description of goods and services provided to the patient during the visit to the health care facility, including the name, address, and telephone number of each billing entity whose health care providers provided the services and goods to the patient; and
- (v) a clear and conspicuous notification at the top of the notice that states:

This is Not a Bill. This is a Summary of Medical Services You Received. Retain This Summary for Your Records. Please Contact Your Insurance Company and the Health Care Providers Listed on this Summary to Determine the Final Amount You May Be Obligated to Pay.

I.C. § 48-303(1)(a).

18. IPACT further prohibits providers from charging or causing interest, fees, or other ancillary charges to accrue on a patient's account until 60 days after the patient receives the later of the CSS or Final Notice. I.C. § 48-304(d).

19. Finally, under IPACT, providers may not engage in extraordinary collection actions until 90 days after: (i) the patient received the later of the CSS and Final Notice, and (ii) final resolution of all internal reviews, good faith disputes, and appeals of any chargers or third-party payor obligations or payments. I.C. § 48-304(1)(e).

***Idaho Consumer Protection Act (ICPA)***

20. The ICPA is to be construed liberally and prohibits unfair or deceptive business practices. This includes, but is not limited to, "any act or practice that is otherwise misleading, false, or deceptive to the consumer." I.C. § 48-603(17). Without limitation, such practices include false and misleading billing and debt collection practices.

**FACTUAL ALLEGATIONS**

21. On August 15, 2023, Plaintiff's provider at Prairie drew his blood during a routine medical appointment and submitted the sample to Interpath to be tested. Following the appointment, Prairie called Plaintiff and advised that, due to technician error, another blood draw would be necessary. Prairie assured Plaintiff that he would not be charged for the cost associated with the second blood draw. Plaintiff returned to Prairie the following morning,

August 16, 2023, for the second blood draw, which was also sent to Interpath.

22. On October 16, 2023, Plaintiff received an invoice from Interpath, which included charges for both the first and second blood draw. A true and correct copy of the October Interpath invoice is attached hereto as **Exhibit A** and incorporated herein by this reference.

23. On October 22, 2023, and October 26, 2023, Plaintiff sent Interpath emails disputing the invoice and requesting a correction. He explained that Interpath was erroneously charging him for services related to the technician's error for which Prairie promised he would not be charged. A true and correct copy of Plaintiff's exchanges with Interpath, including the emails he sent on October 22 and October 26, is attached hereto as **Exhibit B** and incorporated herein by this reference.

24. On October 26, 2023, Interpath responded:

If we need to write off the charges, we need a confirmation first from the provider or from Prairie Family Medicine on which charges to adjust. Please coordinate with your doctor's office first about the matter, and if they need to submit it in error in case it was a duplicate, then we would need a call from them directly.

*Id.* at B-1.

25. On November 1, 2023, Plaintiff spoke with a representative at Prairie who agreed that Plaintiff should not have been charged for the technician's error and assured Plaintiff that Prairie would contact Interpath to correct the bill.

26. On November 7, 2023, Plaintiff emailed Interpath regarding his communications with Prairie and, again, requested that Interpath issue a new bill. Interpath responded that it would not issue a revised bill until it received a response from Prairie. *Id.* at B-2.



27. On or around November 9, 2023, Interpath sent Plaintiff another invoice including charges for both the first and second blood draws. This bill included language stating: “\*FINAL NOTICE\* To prevent further action being taken on your account, REMIT PAYMENT IN FULL within 15 days of the statement date.” A true and correct copy of the November 9, 2023, invoice from Interpath is attached hereto as **Exhibit C** and incorporated herein by this reference.

28. Throughout November, Plaintiff contacted Prairie and Interpath to dispute the amount he had been charged and request a revised invoice on multiple occasions. On December 5, 2023, Plaintiff talked to the same Prairie representative with whom he first spoke on November 1. The representative again agreed that Plaintiff should not be billed charges relative to the technician error and again assured Plaintiff that she would contact Interpath regarding the issue.

29. On or about December 10, 2023, Interpath sent Plaintiff another bill. This bill included language stating: “\*COLLECTIONS\* YOUR ACCOUNT MAY HAVE BEEN TURNED OVER TO COLLECTIONS.” A true and correct copy of the December 10, 2023, bill is attached hereto as **Exhibit D** and incorporated herein by this reference.

30. On December 19, 2023, Plaintiff received correspondence from Bonneville Collections notifying him that it had been assigned and was attempting to collect the disputed Interpath debt. A true and correct copy of the Bonneville Collection notice is attached hereto as **Exhibit E** and incorporated herein by this reference.

31. On January 1, 2024, Plaintiff emailed Interpath. He again requested that they fix the invoice and expressed frustration that Interpath sent the bill to collections

despite knowing of the dispute as to the amount owed. Ex. B at B-3.

32. On January 4, 2024, Interpath responded by again noting that they had not received any communication from Prairie relative to Plaintiff's request and advised that "[Interpath's] system automatically forwards any balance on the account that remains unresolved or outstanding to a collection agency after 90 days from the received date from the insurance." *Id.* at B-3.

33. On February 7, 2024, Interpath sent Plaintiff another bill showing a \$16.99 reduction from the amount originally billed. The deduction was applied to the draw fee for the second draw. Although the correction was generally consistent with Plaintiff's position that previous invoices were erroneous, it still included language advising Plaintiff that his account may have been turned over to collections and that he must immediately remit payment in full to prevent "interest, fees, or credit reporting." A true and correct copy of the February 7, 2024, invoice is attached hereto as **Exhibit F** and incorporated herein by this reference.

34. Most recently, on February 25, 2024, Interpath sent Plaintiff another bill. This bill did not include the \$16.99 correction. However, it again stated that Plaintiff's account may have been turned over to collections and demanded immediate payment of the full balance owed. A true and correct copy of the February 25, 2024, invoice is attached hereto as **Exhibit G** and incorporated herein by this reference.

35. Despite their connection and regular work together, and despite Prairie's numerous representations that Plaintiff would not be charged for the error, neither Defendant took reasonable action to address the good-faith dispute or resolve Plaintiff's

legitimate billing concerns.

36. In fact, both Defendants appear to have wholly ignored Plaintiff's requests for assistance and simply pushed the invoice through an automated system without any concern for his rights as a patient or consumer.

37. Furthermore, Interpath's practice of *automatically forwarding unresolved accounts to collection agencies* after 90 days despite the circumstances evidences that Plaintiff's experience was not unique but consistent with Interpath's regularly conducted business activity. The following reviews are a sample of complaints relative to Interpath's billing practices that can be found on company-review websites such as the Better Business Bureau website.



**Initial Complaint**  
01/10/2024

**Complaint Type:** Billing Issues  
**Status:** Unanswered ?

Interpath labs \*\*\*\* labs/samples July 2023. They billed my insurance 12/20/23. My insurance PacificSouce paid 12/24/23. I received a bill from a collection agency 12/28/23. I have been on hold with them 3 hours today and they are claiming they have not been paid



**Initial Complaint**  
01/29/2022

**Complaint Type:** Service or Repair Issues  
**Status:** Unanswered ?

This company has sent me to collections twice now even though my amount has been paid in full. I have received no communications from them about any outstanding balance even though they have my updated contact information. I also contacted the healthcare provider that this service was ran through (Providence Health) and they told me I was all settled on my end. Again, I made the effort to make sure this \*\*\*\* was paid and was never contacted further from this company. I called in December of 2021 to ensure this was settled. They have now put this on my credit report. This was the second instance of this company doing this. In 2020 I had another \*\*\*\* through them that I was told was settled by one of their direct employees. Later in 2020 I was sent to collections by them the first time and called and got it resolved. This company is not taking the proper credit reporting steps and running proper communications. I fully intend and confirm my bills are paid.



**Initial Complaint**  
01/22/2024

**Complaint Type:** Billing Issues  
**Status:** Unanswered ?

I had the test on 3/9/2023.the lab staff made mistakes by file the claim to insurance with wrong patient's information. After all the correction and refill the claim. Insurance denied the claim. With the reason is the time limit to file is expired. So the lab sending the bill with amount:\$274.93.(big difference amount it have in contract with insurance.That is totally not my fault. I feel innocent if it make me pay the charges just because someone else's made mistakes. So please help me to solve the problems. Your sincerest.

### **CLASS ALLEGATIONS**

38. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23. Plaintiff seeks to represent all consumers in the State of Idaho who were subject to Interpath's illegal billing and collection practices during the relevant statutory period.

39. Excluded from the Class are Defendants' employees and agents; any Judge conducting proceedings in this action and their parents, spouses and children as well as any other member of their family residing in their household; counsel of record in this action and their parents, spouses and children as well as any other member of their family residing in their household; and the legal representatives, heirs, successors and assigns of any excluded person.

40. Plaintiff reserves the right to amend the Class definitions if discovery and further investigation reveal that the Class should be expanded or narrowed, divided into subclasses pursuant to Rule 23(c)(5), or modified in any other way.

41. **Numerosity:** The members of the Class are so numerous that joinder of all members is impracticable. While the exact number of Class members is currently unknown to Plaintiff, based on the fact that Defendants operate in multiple locations within and

outside of Idaho, admittedly engages in illegal automated debt-collection practices, and seemingly blanket refusal to assess or take any action to correct potentially erroneously bills and good-faith invoice disputes, Plaintiff estimates that the Class number is in the thousands.

42. Class members are readily identifiable from information and records in Defendants' possession, custody, or control.

43. **Commonality:** There are questions of law and fact that are common to the Class and these questions of law and fact predominate over any questions affecting only individual Class members. These questions include:

- a. Whether Defendant Interpath's billing and debt-collection practices violate IPACT;
- b. Whether Defendants engaged in deceptive, unfair, false, or misleading billing and debt-collection practices in violation of ICPA;
- c. The extent of the damages caused by Defendants;
- d. Whether Plaintiff and Class Members are entitled to injunctive relief to redress the imminent and ongoing harm they face as a result of Defendants' debt-collection practices;
- e. The relief to which Plaintiff and the Class are entitled; and
- f. The other remedies that might be appropriate to remedy Defendants' conduct.

44. **Typicality:** Plaintiff's claims are typical of the whole Class because, like all other Class members, Plaintiff was subject to and damaged as result of Defendants'

illegal billing and debt-collection practices, which, at least in Interpath's case, were automated. Plaintiff is advancing the same claims and legal theories individually and on behalf of all other Class Members, and there are no defenses that are unique to Plaintiff. Plaintiff's claims and Class Members' claims arise from the same overarching and operative facts and are based on the same legal theories.

45. **Adequacy:** Plaintiff will fairly and adequately represent and protect the interests of the members of the Class. Plaintiff does not have any interests that are adverse to those of the Class members. Plaintiff has retained competent counsel highly experienced in class action litigation and intends to prosecute this action vigorously.

46. **Superiority:** A class action is superior to other available methods for the fair and efficient adjudication of this controversy. Class action treatment will permit a large number of similarly situated persons to prosecute their common claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of effort and expense that numerous individual actions would engender. Since the damages suffered by individual Class members are relatively small, the expense and burden of individual litigation make it virtually impossible for the Class members to seek redress for the wrongful conduct alleged on an individual basis.

47. The prerequisites for maintaining a class action for injunctive or equitable relief under Federal Rule of Civil Procedure 23(b)(2) are met because Defendant has acted or refused to act on grounds generally applicable to the Class, thereby making appropriate final injunctive or equitable relief with respect to the Class as a whole.

**COUNT I**  
**VIOLATIONS OF IDAHO PATIENT ACT (IPACT)**  
**(Against Interpath)**

48. Plaintiff repeats the allegations in all the foregoing paragraphs as if fully set forth herein.

49. Plaintiff brings this count on behalf of himself and all members of the Class harmed by Interpath's illegal debt-collection practices.

50. Interpath is a "health care provider" under IPACT.

51. Interpath engaged in improper "extraordinary collection action[s]" under IPACT by automatically sending Plaintiff's account to Bonneville Collections, a third-party collection agency, without providing Plaintiff a Final Notice or a CSS and while Plaintiff and Interpath were engaged in a good-faith dispute regarding Interpath's charges.

52. By engaging in an extraordinary collection action during a good-faith dispute and without sending Plaintiff a CSS or Final Notice in accordance with IPACT's requirements, Defendant violated IPACT.

53. As Interpath admitted, its process for sending invoices to collections is automatic, countless others have undoubtedly been subject to illegal debt-collection practices under IPACT.

54. Plaintiff and Class Members seek all monetary and non-monetary relief allowed by law, including equitable relief, actual damages or statutory damages of \$1,000 per violation (whichever is greater), punitive damages, prejudgment and post judgment interest, and reasonable attorneys' fees and costs.

55. Plaintiff and Class Members seek, where the Court finds a party has willfully or knowingly violated Idaho Code § 48-304 and Idaho Code § 48-306, treble

(three times) the amount of actual damages, or three thousand dollars (\$3,000), whichever is greater.

**COUNT II**  
**VIOLATIONS OF IDAHO CONSUMER PROTECTION ACT**  
**(Against Interpath)**

56. Plaintiff repeats the allegations in all of the foregoing paragraphs as if fully set forth herein.

57. Plaintiff brings this count on behalf of himself and all members of the Class harmed by Defendants' illegal debt-collection practices.

58. Praxis and Interpath are each individually a "person" as defined by Idaho Code § 48-601(1).

59. Praxis and Interpath's conduct as alleged herein pertained to the provision of medical services.

60. Interpath engaged in false, misleading, deceptive, and unconscionable acts under Idaho Code § 48-603 by charging Plaintiff for services it knew or should have known were not owed and by engaging in illegal debt-collection practices during a good-faith dispute.

61. Praxis engaged in false, misleading, deceptive, and unconscionable acts under Idaho Code § 48-603 by falsely representing to Plaintiff that he would not be charged for draws resulting from the technician's error on several occasions.

62. As a result of Defendants' conduct, Plaintiff was subjected to collections, credit reporting, and fees in excess of what he owed Defendants.

63. As a direct and proximate result of Defendant's deceptive acts and practices,



Plaintiff and Class Members have suffered and will continue to suffer injury, ascertainable losses of money or property, and monetary and non-monetary damages.

64. Plaintiff and Class Members seek all monetary and non-monetary relief allowed by law, including damages, punitive damages, injunctive relief, costs, and attorneys' fees.

65. Further, Plaintiff and Class Members seek an order enjoining Defendants from engaging in unlawful debt collection practices under ICPA and IPACT and from continuing to pursue collection actions against putative Class Members.

#### **VII. PRAYER FOR RELIEF**

Plaintiff, on his own behalf and on behalf of the Class, pray for the following relief:

A. An order certifying the Class under Rule 23 of the Federal Rules of Civil Procedure and naming Plaintiff as Class Representative and his attorneys as Class Counsel;

B. A declaration that Defendants are financially responsible for notifying Class Members of the pendency of this suit;

C. The Court enter an order granting the Class a preliminary and permanent injunction prohibiting Defendant from collecting or attempting to collect alleged deficiency balances, interest, fees, costs and other charges from Class.

D. The Court enter an order requiring Defendant within 30 days to notify all credit reporting agencies to whom it reports that (i) members of the Class have a zero balance on their accounts, and (ii) removing any notation to the effect that the account has been charged off;

E. The Court enter judgment in favor of Plaintiff and Class Members against Defendant and award actual or statutory damages for members of the Class;

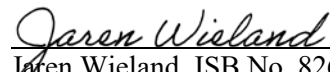
G. A disgorgement of profits earned by Defendant on bills and collections charged to the Class;

H. Pre- and post- judgment interest on all amounts awarded;

I. Other injunctive relief as the Court may deem appropriate; and

J. An order awarding Plaintiff and the Class their reasonable attorneys' fees and expenses and costs of suit.

Dated July 30, 2024

  
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Jaren Wieland, ISB No. 8265  
MOONEY WIELAND WARREN  
512 W. Idaho St., Suite 103  
Boise, ID 83702  
t: 208.401.9219  
f: 208.401.9218  
jaren.wieland.service@mooneywieland.com

Aaron M. Zigler\*  
ZIGLER LAW GROUP, LLC  
308 South Jefferson Street, Suite 333  
Chicago, Illinois 60661  
t: 312.673.8427  
f: 312.535.5773  
aaron@ziglerlawgroup.com

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# ClassAction.org

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: [Class Action Claims Interpath Lab's Debt Collection Practices Violate Idaho Law](#)

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