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For Immediate Release

Melaleuca Shines Light on Apparent Collusion and Fabricated Lawsuit to Deceptively Challenge Idaho Patient Act

Idaho Falls, Idaho – Dec. 15, 2022 – Melaleuca, the driving force and advocate for the Idaho Patient Act (IPACT), which took effect on Jan. 1, 2021, believes that the law’s chief targets have engaged in unethical behavior and a professional ethics violation for lawyers in an attempt to have the law ruled unconstitutional.

The Idaho Patient Act protects the public from collection tactics like those previously practiced by attorneys Bryan Smith and Bryan Zollinger. Previous to the passage of IPACT, unscrupulous Idaho attorneys were allowed to turn tiny amounts of medical debts into huge attorney fees totaling thousands of dollars more than the original debt. This allowed attorneys like Smith and Zollinger to make millions of dollars in attorney fees with little or no added benefit to the doctors.

Melaleuca believes that attorneys Smith, Zollinger, and Edward Dindinger, along with defendant David Lyon, who has been a longtime supporter and employee of Smith, apparently unethically conspired to bring a sham case before the magistrate court to try to cause the judge to deem IPACT unconstitutional. The plaintiff’s attorneys, the defendant, and the defendant’s attorney are longtime, close, personal friends and political allies and have a history of teaming up in political and legal situations. They remain very close friends even though they claim to be “suing” each other.

Melaleuca contends that strong evidence suggests this case was engineered in secret by individuals with the same goal, specifically, to tee up a challenge to IPACT’s constitutionality.

Melaleuca believes the legal tactics undertaken by Smith, Zollinger, and Dindinger in this case potentially violate rules of professional ethics for lawyers.

Ridgeline Medical v. Lyon

In August 2021, Zollinger, who is employed by Smith, filed a case against a man named David Lyon, alleging that Lyon owed a debt stemming from a visit to an Idaho Falls medical facility that he didn’t pay.

Suspicious Connections

The connections between counsel in the case, as well as the plaintiff and defendant are notable—and remain far too close—for any reasonable person to believe an actual legal dispute exists here.

Parties on both plaintiff’s and defendant’s sides are close friends and longtime loyal political allies. As mentioned, Zollinger works for Smith at his law firm. Both attorneys stand to lose substantial revenue at the debt-collection firm Medical Recovery Services and the intertwined Smith, Driscoll & Associates law firm because IPACT forces them to clean up their act. Specifically, IPACT requires them to stop using unscrupulous and overly aggressive tactics to collect medical debt from innocent and unsuspecting Idahoans.

Melaleuca believes Counsel appears to have fabricated the lawsuit in collusion with the defendant, who has been identified in the media as an employee of Smith. Indeed, according to this 2019 [East Idaho News](#) story, Lyon is identified as a former employee of Smith and says, “I can’t say enough good things about him as an employee.”

Adding to the intertwined relationship, Lyon’s attorney, Edward Dindinger, is a known personal friend of Smith and Zollinger. In fact, Dindinger and Smith are known to team up together on cases involving their political allies. Indeed, Smith and Dindinger have been working together on other cases against political foes.

Furthermore, Smith, Zollinger, and Lyon are all active members of the Bonneville County Republican Central Committee, where they consistently work together. To see their connections, look no further than what Zollinger, the attorney suing Lyon, wrote as a political endorsement in support of Lyon on social media.

At the time, Zollinger was serving in the legislature, and he expressed his highest support for Lyon’s campaign to become an elected Precinct Committee Officer and voting member in the Bonneville County Republican Central Committee, of which Smith and Zollinger held leadership positions:



Are we to believe that Zollinger is now suing his political ally and personal friend?

To provide further evidence that this case was concocted to challenge IPACT, Zollinger and Lyon's attorney, Dindinger, "stipulated" to certain facts. Those facts are very odd and suspicious, because the parties agree to "facts" that appear to be against Lyon's interest in the case.

This raises the question: why would Lyon agree to those facts? The only logical conclusion is because this case was engineered so Smith, Zollinger, and Dindinger could present "facts" in a manner that the judge would have no other choice but to deem IPACT unconstitutional. It is difficult to imagine that any actual defense attorney would agree to these kinds of "facts" against their client, unless they intended to jeopardize their client's case or, in essence, assist the other side.

Apparently, they hoped no one would notice until after the fact; however, Melaleuca will not allow this to happen without public awareness because Melaleuca has witnessed hundreds of Idahoans financially damaged by the previous laws that allowed unscrupulous debt collectors to operate unfettered. Melaleuca is willing to shine a spotlight on this situation which appears to perfectly fits the definition of "an action between two parties that are not true adversaries and have no true controversy between them. The two parties are nominal adversaries merely for the goal of obtaining an answer to a legal question or a favorable precedential decision to a related litigation."

Suspicious Circumstances

Katy Davenport, a principle of Ridgeline Medical, who is suing Lyon, lobbied extensively against the Idaho Patient Act in 2020 as it was put to a vote in the Idaho legislature.

According to a search of the Bonneville County court records, it is not normal practice for Ridgeline to directly sue a patient to collect medical debt.

Ridgeline standard policy is to try to run delinquent bills through their internal collection procedures and not turn any debt over to a collection firm until the debt is more than 12 months past due. In this case, Lyon's bill was turned over to Smith/Driscoll only five weeks after the final statement. In this case, Ridgeline bypassed a collection firm and filed suit directly, and they did it after only giving the patient five weeks to pay the bill.

Key Points about IPACT

The Idaho legislature passed IPACT in March 2020 to ensure that patients receive timely, accurate, and understandable medical bills and to curb debt-collection abuses, including outrageous attorney fee awards for medical debt collection attorneys.

IPACT is a constitutional statute. It was passed by an overwhelming majority of the legislature after extensive discussions with key stakeholders including various medical associations and doctor's associations.

Almost immediately after the introduction of IPACT, critics—those who benefited from the prior system of abusive medical debt collection—began to attack it.

IPACT helps patients in Idaho be treated in a fair manner within the medical debt collections process. And it was strengthened earlier this year to better serve the citizens of Idaho. If it is overturned almost every family in Idaho will eventually be affected.

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