

Axinn Wins Dismissal of Yeshiva University from Antitrust Conspiracy Class Action

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Axinn recently secured an important victory for client Yeshiva University when Judge Paul L. Friedman of the D.C. District Court dismissed Yeshiva with prejudice from a purported class action lawsuit alleging that the medical community is conspiring to restrain competition in the market for medical residents in violation of Section 1 of the Sherman Act. According to the plaintiffs' complaint, a conspiracy exists between organizations and associations that administer graduate medical education and the hospitals, medical schools and other organizations that offer or sponsor medical residency programs. The alleged purpose of this conspiracy is to fix, depress, standardize and stabilize resident physician compensation and other terms of employment. Yeshiva was accused of participating in the alleged conspiracy through its role as a sponsor of medical residency programs. As a sponsor, Yeshiva monitors residency program compliance with the requirements of the Accreditation Council for Graduate Medical Education ("ACGME"). Yeshiva, however, does not own or operate a hospital or employ medical residents. In its motion to dismiss, Yeshiva argued, among other things, that the plaintiffs failed to connect Yeshiva to the alleged conspiracy. Judge Friedman agreed. After carefully reviewing the complaint, Judge Friedman observed that the only allegations that could even arguably link Yeshiva to the alleged conspiracy were the allegations related to the ACGME standards themselves. Judge Friedman, however, properly refused to infer from those generalized allegations that a separate entity, whose only role was to monitor ACGME-accredited medical residencies on behalf of the ACGME, participated in the alleged conspiracy.