

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION

DOCTORS HOSPITAL OF LAREDO)
AND LAREDO PHYSICIANS GROUP,)
)
Plaintiffs,)

v.)

DR. RICARDO CIGARROA, CIGARROA)
HEART AND VASCULAR INSTITUTE,)
LAREDO TEXAS HOSPITAL)
COMPANY, LP D/B/A LAREDO)
MEDICAL CENTER, AND LAREDO)
PHYSICIAN ASSOCIATES,)

Civil Action No. 5:21-cv-01068

Defendants.

PLAINTIFFS’ ORIGINAL COMPLAINT

Plaintiffs Doctors Hospital of Laredo (“Doctors Hospital”) and Laredo Physicians Group (“Physicians Group”), by and through their attorneys, file this Original Complaint against Defendants Dr. Ricardo Cigarroa, Cigarroa Heart and Vascular Institute (“Cigarroa Institute”), Laredo Texas Hospital Company, LP d/b/a Laredo Medical Center (“LMC”), and Laredo Physician Associates (“LPA”), and respectfully allege the following:

I. INTRODUCTION AND SUMMARY OF COMPLAINT

1. Laredo is a vibrant and growing city with more than 260,000 residents. According to a recent analysis, a population of that size should have at least 20 cardiologists. But Laredo currently has eight, and only six of them are interventional cardiologists, the type needed to support acute-care hospitals and patients with acute cardiology needs.

2. If a patient with interventional cardiology needs is not treated in Laredo, the patient must travel to different markets, like San Antonio or Houston. But such out-of-market trips carry

significant patient risk. “Time is muscle,” and the sooner a patient with acute cardiological needs receives medical care, the better.

3. To address the lack of interventional cardiologists and ensure that Laredo patients can receive prompt and high quality cardiological care in Laredo, Plaintiffs started actively recruiting new interventional cardiologists to Laredo in August 2020.

4. When Defendant Dr. Cigarroa, a prominent interventional cardiologist in Laredo, heard of Plaintiffs’ plans, he perceived a threat to his dominant market position. Fancying himself the “Kingmaker” of cardiology in Laredo, he has personally boasted to others that he controls 90% of the market. Confronted with increased competition in the interventional cardiology market in the Laredo, Texas Metropolitan Statistical Area, Dr. Cigarroa entered into a conspiracy with the Cigarroa Institute (a cardiology outpatient clinic) and LMC (the largest acute-care hospital in Laredo) to engage in anticompetitive and tortious behavior. Their conspiracy had a simple but pernicious goal: deprive Doctors Hospital and Physicians Group of the doctors and employees needed to compete and provide interventional cardiology services to the Laredo market.

5. Defendants’ conspiracy unfolded in multiple steps. First, Dr. Cigarroa issued threats to Doctors Hospital, Physicians Group, and prospective interventional cardiologists that Plaintiffs were recruiting to not move to Laredo and compete with Dr. Cigarroa. Defendants’ coercion and threats worked: multiple qualified interventional cardiologists who were interested in joining Physicians Group, and to whom Physicians Group extended employment offers, decided not to join because of Defendants’ acts.

6. Next, Dr. Cigarroa, his son, and his nephew – representing more than half of the interventional cardiologists in Laredo – gave notice that they would no longer respond to emergency calls at Doctors Hospital, and the son and nephew downgraded their medical staff

privileges to “Courtesy.” Instead, Dr. Cigarroa’s group would be responding to emergency calls from and referring their patients to Doctors Hospital’s only competitor in Laredo: LMC.

7. Then, emboldened by their success in scaring off competitors, and further cementing their dominant market power and position, Defendants aimed their anticompetitive and tortious behavior at Laredo’s only cardiovascular surgeon, Dr. Arthur Santos, who was employed by Physicians Group. Defendants successfully induced Dr. Santos to agree to join Defendant LPA, breaching his enforceable non-compete contractual provision.

8. Finally, not content with depriving Doctors Hospital of interventional cardiologists, Defendants targeted Doctors Hospital’s cardiothoracic surgery technicians to induce them to join LMC and work with Dr. Cigarroa and Dr. Santos.

9. The conspiracy to monopolize Laredo’s interventional cardiology market is a win-win for Defendants. Dr. Cigarroa and the clinic avoid competition for interventional cardiological services, while LMC is left as the only provider of acute cardiology services in Laredo, gaining additional patients and corresponding increased revenue. Meanwhile, Doctors Hospital’s acute-care cardiology program will be threatened with extinction and, critically, Laredo patients are left with higher health care costs and greater health risks and without competitive market alternatives.

10. Defendants’ anticompetitive and tortious behavior violates federal and state law. Unless restrained, their behavior has damaged and will continue to damage Plaintiffs and the Laredo public. Plaintiffs accordingly seek injunctive relief and damages.

II. PARTIES

11. Plaintiff Doctors Hospital of Laredo is a Texas entity with its principal place of business in Laredo, Texas.

12. Plaintiff Laredo Physicians Group is a Texas non-profit physicians group, certified by the Texas Medical Board. Its sole member is Independence Laredo LLC, which is registered in Texas with its principal place of business in Laredo, Texas.

13. Defendant Dr. Ricardo Cigarroa is a resident of Texas. He can be served at 203 Sunset Drive, Laredo, TX 78401.

14. Defendant Cigarroa Heart and Vascular Institute is a Texas entity with its principal place of business in Laredo, Texas. It can be served through its registered agent: Ricardo G. Cigarroa, 1710 E. Saunders Street, Tower B, 5th Floor, Suite 500, Laredo, TX 78041.

15. Defendant Laredo Texas Hospital Company, LP d/b/a Laredo Medical Center is a Texas entity with its principal place of business in Laredo, Texas. It can be served through its registered agent: Corporation Service Company d/b/a CSC – Lawyers Incorporating Service Company, 211 E. 7th Street, Suite 620, Austin, TX 78701.

16. Defendant Laredo Physician Associates is a Texas physicians group with its principal place of business in Laredo, Texas. It is affiliated with LMC and can be served through its President or Chief Executive at its principal place of business: 1700 E. Saunders Street, Laredo, TX 78041.

III. JURISDICTION AND VENUE

17. This Court has subject matter jurisdiction pursuant to 28 U.S.C. § 1331 and 15 U.S.C. § 26 because Plaintiffs allege violations of Sections 1 and 2 of the Sherman Antitrust Act and Section 4 of the Clayton Act.

18. This Court has supplemental jurisdiction over Plaintiffs' state law claims pursuant to 28 U.S.C. § 1367(a) because they are "are so related to" the antitrust claims that they "form part of the same case or controversy under Article III of the United States Constitution."

19. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to the claim occurred here. Venue is also proper in this District pursuant to 15 U.S.C. § 22 because on information and belief Defendant LMC transacts business here.

IV. FACTS GIVING RISE TO THIS ACTION

A. Laredo's two hospitals and associated physician groups.

20. The Laredo, Texas Metropolitan Statistical Area ("Laredo") has approximately 260,000 residents spread across approximately 108 square miles.

21. To serve its population, Laredo has two hospitals that qualify as adult acute-care facilities, meaning that they provide inpatient, outpatient, and emergency care for a variety of ailments, ranging from general surgery to cardiology.

22. Laredo's largest hospital is Defendant LMC. According to its website, LMC is "a 326-bed licensed acute care facility offering a range of inpatient and outpatient services."

23. Laredo's second largest hospital, located six miles from LMC, is Plaintiff Doctors Hospital. It is a 183-bed acute care facility that offers Laredo residents a variety of medical services and where physicians practice a variety of specialties. Doctors Hospital also houses the Heart and Vascular Center, which includes a recently renovated cardiac surgery suite.

24. LMC and Doctors Hospital are the only two hospitals in Laredo that offer inpatient interventional cardiovascular services. If a patient with interventional cardiovascular needs does not want to go to LMC or Doctors Hospital, or either hospital is not able to receive that patient, they would have to travel to a different market, the closest being San Antonio.

25. Dr. Cigarroa, an independent interventional cardiologist, is an undisputed public figure in the Laredo community. His family, medical practice, and penchant for media attention have made him close to a household name, or at least as much of a household name as a cardiologist

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