

2 buyers, more in wings, court told

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Two potential buyers for the struggling Bayonne Medical Center have stepped forward, according to documents filed in federal bankruptcy court yesterday.

Several other suitors would be willing to name themselves to the judge, but not to the public, according to a sworn affidavit from an official involved in the sale of the hospital. The affidavit was filed to support a request to be considered in court today to sell the hospital at auction.

Urban Suburban Associates

and Community HealthCare Services have both expressed an interest in operating acute care hospitals on the BMC property, according to the affidavit from Cain Brothers & Company's Managing Director Thomas Barry. Cain Brothers is an investment banking firm hired by BMC officials to help sell the hospital. Barry could not be reached for comment yesterday.

Urban Suburban Associates intends to participate in an auction for "all, or substantially all" of BMC's assets, Barry said in the affidavit.

"Urban Suburban Associates' interest and intent would

be to operate the hospital as an acute care facility with a bed count of between 95 and 130 beds," Barry said, adding the program would also include components of a medical teaching facility, extended care, medical offices, and a wellness center.

"Community HealthCare Services, LLC's interest and intent would be to operate the hospital as an acute care facility with a bed count of approximately 180 beds" and wants to continue due diligence visits to the hospital, Barry said.

In addition, "Certain potential purchasers have indicated

that they would permit Cain Brothers' disclosure of these discussions through a filing under seal" or in a private conference with U.S. Bankruptcy Court Judge Morris Stern, Barry said in the sworn affidavit, dated Oct. 3 and filed in court yesterday.

At a hearing one week ago, Stern slammed a \$18.8 million asset purchase agreement that would have sold the hospital to an investment concern headed by for-profit health care provider International Sleep Network. He gave BMC officials until today to either come up with something better or be prepared to close the hospital.

Officials have filed a draft closure plan in compliance with Stern's demand, according to court documents.

"We're going to go back tomorrow and hope that (Stern) will understand what we are attempting to do," said Ruth Dugan, hospital board chairwoman. Dugan added that she will be relying on support from the state at the hearing.

"We don't need additional money to get to auction. So we want them to say, look, let this hospital hold the auction that is dictated in bankruptcy code and at that point make a decision as to whether it's viable or not," she said.