

BMC buyer misses payment; in court tomorrow

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Bayonne's hospital drama took another twist when Urban-Suburban, the approved buyer of bankrupt Bayonne Medical Center failed to put down a required \$2.5 million deposit on a proposed \$30 million purchase by the close of business Friday.

That, in turn, triggered several new developments:

■ U.S. Bankruptcy Court Judge Morris Stern on Monday ordered a special hearing for 10 a.m. tomorrow to determine whether the hospital can produce another buyer.

■ At the same time, Stern ordered the hospital to send all employees federal Worker Adjustment and Retraining Notification (WARN) notices, which give employees a 60-day warning of possible closure. The hospital sent a general

notice to its employee union, the Health Professionals & Allied Employees, and the HPAE has sent copies to its nearly 900 members. The BMC sent about 150 notices to its non-union workers.

■ The City Council, meeting in emergency session at 7 a.m. Monday, emerged five hours later to unanimously vote for a resolution urging the BMC trustees to consider an alternate buyer and "expressing continued support" for the city's \$6 million "working capital loan" for the operation of the hospital.

That loan is meant to keep the facility afloat until its sale. An ordinance adopted last week guarantees a proposed \$30 million loan that may be floated by the Hudson County Improvement Authority to keep the hospital going as an acute care facility, though county officials have yet to commit to that plan.

All that would seem to leave IJKG, LLC as the only other possible buyer, which the court initially shot down after criticizing the firm's \$18.8 million offer.

The hospital board's chairwoman, Ruth Dugan, said yesterday that the attorney for Urban-Suburban assured the hospital that it planned to come up with the deposit money by today. It's unclear whether that would be acceptable, though, she conceded.

Meanwhile, a Pennsylvania-based physician, who has retained a New Jersey law firm that has former Gov. Jim Florio as a partner, has expressed interest in acquiring and/or running the hospital, Dugan said.

"We're pursuing all available alternatives," said Dan Kane, the hospital's interim administrator. "We remain very optimistic and the hospital is open for business as usual. Anybody

interested in purchasing this hospital is going to have to step up to the plate immediately."

Special city counsel Joseph Baumann said the BMC is running "on borrowed time."

"At any time, the insurer of the hospital's pre-bankruptcy petition bonds could decide that the hospital should no longer use its accounts receivable, and the hospital would be shut down," he said.

\$1.5M for Greenville Hospital is on council agenda tonight

The Jersey City City Council tonight is slated to approve \$1.5 million to keep the doors of Greenville Hospital open, at least temporarily.

The Greenville Hospital resolution resulted from a commitment Mayor Jerramiah Healy made during a state hearing last week to decide the fate of the 100-bed facility.

LibertyHealth Systems, which owns the hospital, said another facility it owns, the

Jersey City Medical Center, is capable of handling the patients who traditionally used Greenville.

Officials agree the \$1.5 million is not enough to solve Greenville's financial woes, but they see it as a way of keeping the doors open while another funding source can be found.

— EARL MORGAN