

THE NEW OWNER of the Bayonne Medical Center will have to pay taxes on the property, according to interim Mayor Terrence Malloy.

New BMC will be paying taxes

By **RONALD LEIR**
JOURNAL STAFF WRITER

Bayonne's new hospital will be significantly different from its bankrupt predecessor — it will pay taxes.

Because IJKG, LLC, the prospective owner, plans to operate Bayonne Medical Center as a for-profit facility, it will be assessed and taxed much as any other private property in the city, says interim Mayor Terrence Malloy.

The hospital property includes its main campus, stretching over a square block from 29th to 30th streets and from Broadway to Avenue E, a four-story parking

garage on the east side of Avenue E, a separate financial offices building on the south side of 29th Street, and a nursing school on Hook Road, among other smaller sites.

Since the hospital has, for many years, been run as a nonprofit, it has never before been taxed and Malloy said the property's value on paper has yet to be calculated so it is not known how much it will pay.

IJKG has yet to close on the property and must still clear a stringent state review process.

After meeting recently with BMC representatives and IJKG principal Vivek Garipalli at City Hall, Malloy

said he was optimistic that even with the bankrupt hospital's recent record of financial struggles, the new owner — armed with a knowledge of what's wrong and with former UMDNJ executive James Lawler on board — has a good chance of righting the ship.

"There are a lot of inefficiencies in the hospital that can be corrected," Malloy said.

Malloy said the hospital has lost money because of a badly run billing system, poor monitoring of patients' length of stay and resulting loss of reimbursement, and patients opting for "offsite surgical centers" instead of going to the hospital.

BMC buyer confident of turning a profit

By **RONALD LEIR**
JOURNAL STAFF WRITER

The purchaser of Bayonne Medical Center believes he can turn the now-bankrupt hospital — bleeding more than \$600,000 a week — into a money-maker.

"From a pure dollar-and-cent perspective, we believe there is more than enough revenue in the community for this hospital to be profitable," insisted Vivek Garipalli, the principal of IJKG, LLC, the Iselin-based company looking to take over BMC.

Even though the new hospital would be privately operated and the city would have no control over the operation, Garipalli said he intends

to appoint Bayonne's mayor and a member of the City Council to the hospital governing board.

Garipalli said he hopes to explain how he and his partners plan to execute the turnaround at a public hearing held by the state Department of Law & Public Safety and state Department of Health & Senior Services on the firm's application for compliance with the Community Health Care Assets Protection Act.

A separate review of IJKG's application for a certificate of need is also being conducted by the health department.

The one-hour hearing, which will be conducted by Deputy Attorney General Robert A. Romano, is set for 7:15 p.m. on Dec. 20 in the Dorothy

E. Harrington City Council Chambers at Bayonne City Hall, 630 Avenue C.

Garipalli said IJKG plans to beef up clinical services.

"For example," he said, "the hospital's radiology department doesn't have a CAT-scanner or an LT-64 slice imaging machine to identify cardiac ailments, both of which are considered standard cardiology equipment."

Members of the public can submit written comments to the Department of Law & Public Safety, Division of Law, Hughes Justice Complex, 25 Market St., P.O. Box 106, Trenton, NJ 08625, Attn: Deputy Attorney General Jay A. Ganzman.