

Bayonne Med Center owes lawyer who did hosp deal

By **RONALD LEIR**
JOURNAL STAFF WRITER

The Bayonne Medical Center, which filed for bankruptcy last month, owes more than \$160,000 to the New York lawyer who laid the legal groundwork for the BMC's acquisition of St. Vincent's Hospital of Staten Island last year.

At the time, hospital administrators represented to New York State healthcare authorities that BMC was in good shape financially and that the affiliation of the two hospitals would only strengthen BMC's position in the healthcare market.

Another BMC creditor of interest is a healthcare software and service company whose focus is on improving hospitals' financial performance. MD-X, of Mahwah, is owed \$1,099,118.

A list of BMC's top 30 unse-

cured creditors released by the Office of the U.S. Trustee, Department of Justice, and verified by BMC Acting CFO Gary Terri- noni, shows that Proskauer Rose, of New York, and its principal representative, Rick Zall, is still awaiting payment of \$169,258 in legal fees.

No. 1 on the creditor list is the Cerner Corp., of Kansas City, Mo., whose Web site lists the company as "the leading U.S. supplier of healthcare information technology solutions that optimize clinical and financial outcomes." Cerner says it's owed \$3,725,870.

Close behind are: State Street, an investment management and investment services corporation based in Quincy, Mass., with a bill of \$1,952,406; and Morrison Management Specialists, Inc., of Atlanta, Ga., which provides food, nutrition and dining services to hospitals and senior living facilities, owed

\$902,382.

Also on the unsecured creditor list are: Bayonne Emergency Associates and Dr. David Istvan, East 29th Street, owed \$373,892; Bayonne Municipal Utilities Authority, owed \$322,266; and McCabe Ambulance Service, Inc., owed \$252,003. McCabe's president, H. Mickey McCabe, was elected this week to chair a seven-member unsecured creditors committee.

Among the committee members is Ann Twomey, president of the Health Professionals & Allied Employees, the union that bargains for most BMC employees.

Although no money is owed the union or its members, they are considered potential creditors since the hospital pays their salaries and makes contributions to benefit and pension plans, Twomey said.

"We want to do everything we



JOURNAL FILE PHOTO

THE BAYONNE Medical Center owes more than \$160,000 to the New York lawyer who laid the legal groundwork for the BMC's acquisition of St. Vincent's Hospital of Staten Island last year.

can to make BMC succeed, not only for people we represent but for the community," Twomey said.

This week the committee selected attorney Andrew Sherman of the Sills Cummis Epstein & Gross law firm in Newark to represent its interests before the U.S. Bankruptcy Court and, on Monday, it will pick a financial advisor,

McCabe said.

The court is permitting BMC a line of credit that guarantees payments of up to \$1.5 million to any BMC trustee that may be appointed and to any professionals hired by BMC, and of up to \$425,000 for any professionals hired by the unsecured creditors committee. McCabe said the court must approve all payments.