

State authority green-lights BMC's \$2.5M loan

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The state Health Care Facilities Financing Authority has OK'd a \$2.5 million loan to the bankrupt Bayonne Medical Center to help the hospital limp toward a sale projected to close in January.

HCFFA Executive Director Mark Hopkins yesterday told

U.S. Bankruptcy Court Judge Morris Stern, sitting in Newark, the loan is set to go through.

The state loan is to be packaged with \$6 million in city bonds and together those funds should tide over the fiscally bleeding hospital through the closing with IJKG.

But the hospital still isn't quite out of the woods: Its sale

to IJKG still has to go through a mandated state review process triggered by a change of ownership. In this case, BMC would shift from a not-for-profit to for-profit status, although it would continue to serve as an acute care hospital.

Deputy State Attorney General Jay Ganzman told the court that even with the likelihood of an expedited review —

which would include a public hearing in Bayonne — the process could still take as long as eight or nine weeks, a forecast that Stern found "very dicey" in light of projections by the debtor hospital's finance experts that if the closing dragged on into February, BMC could be nearly out of cash.

The hospital is currently losing more than \$600,000 a

week.

And that worried Michael Sirota, attorney for the insurers of more than \$30 million in outstanding BMC bonds issued previously by the HCFFA, who urged Stern to compel IJKG to "produce firm financial commitments" by a Dec. 18 hearing to prove that the new hospital wouldn't have to continue borrowing.