



EMILY ANNE EPSTEIN JOURNAL PHOTO

**LAST TIME:** Ruth Ducan presides over the last meeting of the Bayonne Medical Center's board of directors before IJG takes over as the new owner.

# Hosp sale completed as feds' \$\$\$ claim settled

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It's official: the bankrupt Bayonne Medical Center has been sold — finally!

As of 12:01 a.m. today, IJG LLC is the new owner of the hospital.

It's the successful outcome of an at times operatic drama that's played out since the nonprofit hospital declared itself bust last April 16. Officials said at the time that the hospital would close if a buyer wasn't found, and would leave nearly 1,000 workers jobless and Bayonne without a hospital for the first time in two centuries.

"I'm ecstatic," said Donna Benjamin, R.N., president of the Health Professionals & Allied Employees union that represents more than 800 nurses and other BMC employees. "This is a new beginning for everyone."

"It's the best thing that could happen to the people of Bayonne because we're going to really service the community the way it deserves to be served," Benjamin said. "We're proud of our new owners: we believe they are dedicated to serving the community."

Yesterday, more than 30 lawyers, along with accountants and other professionals, spent the better part of the day scouring thousands of documents, getting signatures of the debtor hospital, creditors, new lenders, and government officials, and coordinating wire transfers of funds involved in



The statement released yesterday by IJG partners Vivek Garipalli, center, James Lawler, right, and Jeff Mandler on the purchase of the Bayonne Medical Center:

"We are happy to announce that IJG successfully acquired BMC, as of Feb. 1. We will continue to focus on the hospital community to provide acute health care services and work with our employees and physicians to provide the highest quality health care under our new management.

"Under this new leadership and our dedicated staff, employees, and physicians, we will examine areas to expand services and we will establish the highest standards of excellence in health care. . .

"We will work around the clock to increase and strengthen our support base during the years ahead."

the transfer of BMC assets and property to the Iselin-based purchaser, said Adam Rogoff, attorney for the debtor hospital.

A key part of the complex agreement involved the settlement of a dispute between the U.S. Department of Justice and BMC over \$41 million in alleged Medicare reimbursement overpayments between January 2000 and August 2003. Failure to reach agreement would have doomed the sale.

But Rogoff said that BMC and the government have "reached an accord" that will result in IJG "making a payment" toward a compromise settlement. Government officials couldn't be reached and both Rogoff and IJG representatives said they weren't permitted to disclose the amount of the payment under the terms of the settlement.

To acquire the hospital, IJG is laying out \$100,000 in cash and assuming BMC liabilities totaling about \$40 million, including unpaid BMC employee pension contributions. Under conditions set down by the state, IJG, a for-profit entity, must continue running the hospital as an acute care facility for at least seven years, rehire most of the current employees, and appoint city/union/community representatives to its governing board.

The road to the BMC sale was, to say the least, a bumpy one to navigate.

Along the way, the hospital got help from the state Health Care Facilities Financing Authority, which agreed to provide a \$2.5 million loan, and from Bayonne, which kicked in \$6 million, to keep the hospital afloat until it could find a buyer.