

North Jersey firms bid for ailing hospital

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The bankrupt Christ Hospital in Jersey City is attracting bids from for-profit companies, prompting concerns for some lawmakers, community activists and hospital executives, who worry for-profit owners will drive up health-care costs and limit care for the overwhelming number of needy patients in the region.

If Christ becomes the fourth hospital in Hudson County to convert to for-profit care, that would leave just two medical centers in the county operating as non-profit.

The 367-bed Christ Hospital filed for Chapter 11 protection last month. It lost \$3 million last year, according to bankruptcy documents.

At least three bids were expected to be submitted Thursday to the U.S. Bankruptcy Court in Newark.

Higher rates possible

The move by for-profit companies to purchase Christ Hospital comes at a time when an increasing number of medical centers across the state are being bought by for-profit companies.

Some of those hospitals have canceled managed care contracts, which allows them to bill out-of-network and seek much higher payments from insurance companies, a practice that drives up overall health-care costs, experts say.

In some cases, hospitals have reported an influx of charity care patients when a nearby hospital converts to a for-profit enterprise, experts said.

Concerns about the changing landscape in New Jersey led the state Senate to overwhelmingly approve a bill Thursday requiring for-profit hospitals to disclose financial

data and other details about ownership and earnings, just as non-profits are required to do.

"We've seen a tremendous proliferation of for-profit hospitals in New Jersey," said state Sen. Loretta Weinberg, D-Teaneck, who sponsored the legislation. "This bill is really a small step forward so that the state, patient advocates and the general public know more about the for-profit organizations that are coming into New Jersey."

Other for-profits

Just last month, state Health Commissioner Mary E. O'Dowd approved the reopening of the former Pascack Valley Hospital in Westwood to be run as a for-profit by Hackensack University Medical Center and its for-profit partner, LHP Hospital Group.

Hackensack and LHP also recently moved to purchase Mountainside Hospital in Essex County and operate it as a for-profit. A for-profit company is in talks to purchase St. Mary's Hospital in Passaic, St. Joseph's Regional Medical Center in Paterson and St. Joseph's Wayne Hospital.

The for-profit bidders for Christ Hospital include Hudson Holdco, an affiliate of a for-profit company that recently bought Bayonne Medical Center and Hoboken University Medical Center. Another group that was expected to bid, held back at the last minute: MHA, a private investor group headed by Dr. Richard Lipsky, a Woodcliff Lake anesthesiologist and partners, which own Meadowlands Hospital, had been talking about trying to purchase the hospital.

One non-profit bid

Only one of the bidders would keep the hospital a non-profit. Community Healthcare Associates, which owns the Barnert Medical Arts complex in Paterson, would own the hospital and lease it to the non-profit Jersey City Medical Center, officials from both organizations said.

"The plan is to have the continuation of acute care services with Jersey City Medical Center serving as the tenant," said Jeffrey S. Moll, a CHA co-founder and former president and CEO of Beth Israel Hospital Association of Passaic.

Another partner and co-founder of CHA is Stephen Kirby, who served as CEO of Liberty Healthcare System, which owns Jersey City Medical Center.

If successful, Jersey City Medical Center would extend its license — essentially operating one medical center at two campuses, said Joe Scott, CEO of Jersey City Medical Center.

Improving Christ Hospital's bottom line will be a daunting challenge: the hospital has suffered for years from low reimbursements for a growing charity care population and a growing number of patients on Medicaid. The emergency department treats 50,000 patients a year, nearly two thirds of whom are on Medicaid or uninsured, according to bankruptcy documents.

Charity care concerns

Scott is concerned that if a for-profit company prevails in a bid for Christ Hospital, it will cancel managed care contracts, such as Bayonne Hospital had done.

Scott said of the other bidders: "They are mom-and-pop operations where individuals are reaping the benefits of the out-of-network model which is driving up costs. That's what I'm most concerned about."

Scott has also expressed concerns about the care of charity patients. Jersey City Medical Center has seen a 45 percent increase in charity patients from Bayonne since Bayonne Medical Center was bought by a for-profit, Scott said.

Judge Morris Stern is expected to make a decision on the bids later this month. Details of the bids were not available Thursday.

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