



Transition to Medical Mall Begins at Barnert ; The New Look May Include Urgent Care, Mammography

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By HEATHER HADDON, SPECIAL TO THE RECORD

The buyers of bankrupt Barnert Hospital are cleaning it this week in preparation for doctors and clinics to move in as part of a for-profit medical mall.

The outgoing administration, its creditors and Community Health Associates, LLC, the Bloomfield-based buyer, closed on the sale Thursday. Financing was delivered Friday, according to the company and its attorney.

The deal was valued at around \$15 million. The amount paid to the secured creditors, originally estimated at \$8 million, came in lower because the Paterson-based hospital's accounts receivable was much less than expected, according to Joseph Schwartz, a lawyer for Community Healthcare Associates.

Schwartz did not detail the breakdown of amounts paid to the creditors. Barnert owed \$45 million to the Department of Housing and Urban Development, its mortgage holder and at least 150 other creditors.

U.S. Bankruptcy Judge Donald H. Steckroth does not need to approve the closing, Schwartz said.

On Friday, the administration began moving in office equipment. This week comes the cleaning. Community Health Associates, an association of former hospital executives, has signed or is in serious negotiations with a dozen non-profit and for-profit medical practices to lease space at Barnert, said Jeff Moll, a principal.

Interested parties include an urgent-care facility, mammography center, an oncology and internal medicine practice of at least seven doctors, physical and occupational therapy, optometry, pediatric day care, adult medical day care and three surgical groups that will include women's health services, Moll said.

The hospital and individual health care practices will help design separate suites. Moll said clients will walk into the lobby and choose their services in a directory, much as in a mall.

The company hopes to have doctors practicing in the 300,000-square-foot building in a few weeks.

Moll said the facility will help fill the gap left by Barnert's closure in February.

The 99-year-old hospital declared bankruptcy in August. The non-profit facility was one of two hospitals in Paterson.

"This model can work," Moll said. "It's one of the best solutions to keeping health care services in communities that would be losing them from hospital closures."

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