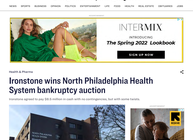


Health & Pharma

Ironstone wins North Philadelphia Health System bankruptcy auction

Ironstone agreed to pay $50.8 million in cash and to assume certain liens and assume certain leases.

Grand Medical Center, seen from Rhen Thompson Street.
Ironstone Health

By Harrett Brubaker
Published Aug. 18, 2021

Ironstone Real Estate Partners won Friday's North Philadelphia Health System bankruptcy auction, beating out a rival bid by a Temple University-led contingency, but with some money to keep the deal for the beleaguered health operator work.

Philadelphia-based Ironstone's price is less than the baseline, or stalking-horse, bid of $10 million set by Meridian Behavioral Health Systems LLC, a Tennessee clinic with interests in four states, but Meridian's offer was taken with conditions on the city and an unions that would have made it hard to complete the purchase.

In a deal in New York, for the bulk of the hub which dropped out before the auction formally started after 9 a.m.

"We're very enthusiastic. This is a very good result," said Lawrence G. Mickelbart, a Blank Rome lawyer representing NPHS in the bankruptcy.

Search for:

1. HOME HEALTH SYSTEMS
2. BEAM HEALTH SYSTEMS
3. FERMION HEALTH SYSTEM
4. MENTAL HEALTH COMPANIES
5. ONLINE HEALTH SYSTEM

Yahoo! Search

The sale includes Grand Medical Center and the associated Goldman Clinic, a methadone clinic, at 601 W. Grand Ave., which together employ 575 and treat about 1,000 patients daily, including 200 on inpatients, according to a court filing.

Closing is expected Sept. 30. A bankruptcy hearing on the deal is scheduled for Tuesday.

The agreement includes a carve-out for Project HOME, which will pay $1.75 million for parcels where the nonprofit wants to build a $13 million LGBTQ-friendly affordable housing project, with a second building planned for the future.

The city and the state had agreed to seize about $6 million in second liens and unsecured claims, Mickelbart said.

ADVERTISEMENT

Jeffrey Kurtzman, an attorney who represented Ironstone at the auction, said the concessions by the city and the state were crucial.

"We are extremely grateful for what they did. Obviously, their motivation was to maintain a behavioral health facility and avoid a closure," Kurtzman said.

Lauren Hill, spokeswoman for Mayor Nutter, said the deal, which includes concessions from unions, "will allow the city to continue to provide critical insurance access to mental health and substance abuse care. It will also allow the city to work with a provider that has local experience."

A condition on the deal is assumption of a one-year lease with the city, valued at $2.8 million, HHI said. The city agreed to waive $74,769, including penalties, for the remainder of the lease, which Ironstone wanted to terminate. Meridian Behavioral Health, a mental health and addiction treatment in the city, waived its claim to $3.8 million previously advanced to NPHS, HHI said.

ADVERTISEMENT

The state had claims related to unemployment compensation and other matters.

NPHS, itself offset for years through special state subsidies, closed Dr. Joseph's Hospital in March 2019 after the Pennsylvania Department of Human Services ended three long-running special payments, which totaled $16 million in 2018. It filed for bankruptcy on Dec. 29.

The former Dr. Joseph's Hospital, at 16th Street and Grant, was sold for $8.1 million to local developers in April. Those money went to pay off secured lenders.

The health system owed unsecured creditors $29 million, according to its financial statements.

Published Aug. 18, 2021

Harrett Brubaker
Covers drugs for Ironstone, cops and courts and the nonprofit sector.

ADVERTISEMENT

Latest Headlines

Everything we need to know about the Philadelphia Flower Show

at 12 years old caressed the weakened in a puppet in three drawings this month, thirty years ago

Marcia Bartman was also proud of their three children's varied projects, team sports, and

Ms. Lee, 80, a retired Drexel instructor, left Philly for Dallas to open Bloom Village

Our homes with painful parents, traumatic experiences or work overdoings

Health & Pharma

How Big Pharma profited from the pandemic | Opinion

Big Pharma profited obscenely from the COVID-19 pandemic, receiving billions from Trump to develop vaccines, and several clients in 8 of Jimmy Kimmel's 9 monologues in which Kimmel criticized other problems.

Daniel Hoffman, For The Inquirer Nov 18, 2020

Coronavirus

Moderna seeks FDA authorization for 4th dose of COVID-19 shot

Moderna Inc. on Friday asked the Food and Drug Administration to authorize a fourth shot of its COVID-19 vaccine as a booster dose for all adults.

Ella Ethier, The Associated Press Nov 19, 2021

Coronavirus

Pfizer and BioNTech to seek authorization of a second coronavirus booster shot for people 65 and older

Pfizer said its effort to bolster waning immunity that wears around months after the first booster, according to three people familiar with the effort.

Laura Meckler, Tyler Page, and Dawn Y. Lee Nov 19, 2021

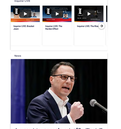
Health & Pharma

Congress urges DOJ, Treasury to examine drug companies among to turn opioid settlements into tax breaks

Congress is urging the Justice Department and Treasury Department to examine pharmaceutical companies and Goldman Sachs, Johnson & Johnson, Jamie Dimon and Purdue Pharma.

Cecilia Kang, Mitch Smith, and Sharon Lafraniere Nov 18, 2021

Health & Pharma



U.S. pharma companies are staying in Russia as other industries exit

Corporations of Merck, Johnson & Johnson, and Pfizer have all announced a stand to keep providing their products in Russia.

Catherine Ezra Nov 11, 2022

Health & Pharma

Opioid crisis victims confront Purdue Pharma's owners

People who lost loved ones or parts of their lives have to spend months or years in court, and the Sackler family's lawyers have made some concessions under Chapter 11 bankruptcy.

Geoff Mulvihill and Jennifer Peltz, Associated Pr... Nov 19, 2021

Healthcare

J&J's controversial prison testing with a Penn doctor resurfaces in baby powder lawsuits

Penn dermatologist Albert Kligman conducted hundreds of tests on prisoners and other people for decades, including for Johnson & Johnson's predecessor in Maya Angelou-lead Crown Cork & Seal's Baltimore now.

Jef Feeley, Bloomberg Nov 18, 2020

Inquirer LIVE

Inquirer LIVE Bonded Bourbon

Inquirer LIVE: The Gilded Age

Inquirer LIVE: Fashion Week

Opinion

Jury convicts woman of running $2 million 'pill mill' but clears doctors who wrote prescriptions

Attorney General Josh Shapiro said the operation put thousands of Keystone users at the ended.

Mitch W. Ruble Nov 15, 2021

Health & Pharma

Purdue Pharma, U.S. states agree to a new opioid settlement

Purdue Pharma and its owners reached a deal with U.S. Bankruptcy Court in Manhattan Friday, 4.5 .with to be approved by a judge.

Geoff Mulvihill and Jeffrey Tomson, The Associated ... Nov 5, 2021

Coronavirus

Pfizer vaccine effectiveness wanes for children 5 to 11, but still protects against serious outcomes, data show

Some experts say the scientific suggests a need to consider increasing the size of the shots from 10 to 15 or even 30 micrograms.

Julia A. Michaels and Laurie McInerny, Washington Post Nov 5, 2021

Healthcare

J&J and distributors finalize $26B landmark opioid settlement

Johnson & Johnson and three major drug firms Tri-plans to pay $5 billion over 18 years. The Drug Distributors, including Amerisourcebergen, Cardinal Health and Mckesson, have agreed to pay a combined $21 billion.

Geoff Mulvihill, Associated Press Feb 25, 2022

Health & Pharma

Spark Therapeutics, the heart of Philly's gene therapy surge, has announced a new leader

The surge announcement of the drug company's new leader Thursday is a sign that Spark is ready to move on from its founder, who helped lead spinout out of Children's Hospital of Philadelphia in 2013.

Jennifer Kaminer Nov 18, 2021

Jill Cummings
@JillCummings

"I'm going to try to help people," he said on his left. "In the joy of others his own joy." @PhillyInquirer @TheAgeless
#TheLongestGoodbye #inquirer #andthepeopleinthem

A 'friends-and-decided-to-hunt-to-help-Ukrainian-refugees' — a retrospect in Poland

Jill Cummings Nov 21 2022

Health

Penn scientists' accidental discovery could change the way doctors think about eczema

The unknowns, why and of eczema may not be triggered by the immune response to the disease itself.

The Inquirer Nov 21, 2021

Banking

Cash-rich investors face 'value indigestion' as biotech, software, fintech stocks tank

Stock valuations have tumbled in recent weeks, underscoring growth-to-value or GTV as the long-hot market conditions.

Joseph A. Giordano, Inquirer Nov 21, 2022