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# CRAIN'S

NEW YORK BUSINESS

## St. Vincent's emerges from bankruptcy

Hardly anything's left but the memories of a hospital that in its 160 years tended to survivors of the *Titanic* and the World Trade Center attacks.

Gale Scott



Buck Ennis

St. Vincent's closed in 2010.

the World Trade Center attacks.

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Marking the final chapter for an iconic New York institution, Saint Vincent Catholic Medical Centers has officially emerged from bankruptcy.

But very little remains of the hospital network that in its 160 years cared for victims of disasters like the Triangle Shirtwaist Factory fire and survivors of the *Titanic's* sinking. St. Vincent's Hospital on West 11th Street in Greenwich Village was at the forefront of the AIDS crisis and later treated survivors and rescuers injured in

Now, virtually all that's left is an insurance entity that will continue to pay medical malpractice claims made against the nonprofit hospital corporation and a contract that expires next year to provide health care for members of Tricare, the health insurance program for military families.

The final plan ending the bankruptcy was approved by a federal court June 25 and took effect June 29.

The closure was a two-year process not unlike settling a family estate, said Mark Toney, a national managing partner at Grant Thornton and the chief restructuring officer for the system since the hospital shut down in April 2010 through the end of the court proceedings last month.

The system's assets have been distributed or sold. Unsecured creditors are due to get from 5 cents to 10 cents on the dollar for the \$875 million they are owed. Mr. Toney said that was "a good recovery since they were looking at getting nothing."

Mr. Toney worked with regulators to sell or transfer parts of the system. For example, St. Vincent's Hospital Westchester, a psychiatric facility in Harrison, N.Y., is now operated by St. Joseph's Hospital in Yonkers. [See chart.]

## **What happens to the health system's parts?**

St. Vincent's Hospital—To be demolished and become the site of a luxury condo tower complex

Comprehensive Cancer Center—Now run by Beth Israel Medical Center

Pax Christi Hospice Care—Taken over by the Visiting Nurse Services of New York, which also now runs one of the system's home health agencies; NorthShore LIJ Health System runs another former system home health agency

Bishop Mugavero Center for Geriatric Care—Now run by Hopkins Center for Rehabilitation and Healthcare

Holy Family Home—Now operated by the Bay Ridge Senior Center

St. Elizabeth Ann's Healthy Care & Rehabilitation Center—Now run by Richmond Center for Rehabilitation and Healthcare.

The system operated hundreds of clinics. Other than one in Manhattan's Chinatown, most were not closed but have new sponsors and have been renamed.

Mr. Toney said the two-year wind-down process was, at times, heart-rending. "The lowest point for me was talking with employees as they were leaving, people who had committed many years of their lives to that institution," he said.

The average time on the job among them was more than 20 years, he said.

Various consultants and executive teams were hired to revive the ailing hospital. The system's losses had begun in 2000, when the sponsoring religious order, the Sisters of Charity, ordered Saint Vincent's to take on several money-losing Catholic hospitals in the outer boroughs. Of those, St. Mary's Hospital of Brooklyn, Mary Immaculate Hospital in Queens, and St. John's Queens Hospital closed before St. Vincent's in Greenwich Village. High fees and severance packages for the rotating cast of executives and consultants hired by the board didn't help.

In 2007, the system's board and executives proposed building a new St. Vincent's hospital across the street from its outdated flagship facility, but the plan was defeated after a battle with Greenwich Village preservationists.

Could that ambitious proposal have turned things around for the system? Not likely, Mr. Toney said.

"It would have cost north of \$750 million and that was before the [economic] downturn," he said. "Raising that money was going to be very difficult, even then."

Greater economic forces also worked against the system. Patients are increasingly being cared for in clinics rather than hospitals. That's one reason why the community's plea for a new full-service hospital on the site went unanswered. Instead, North Shore-Long Island Jewish Health System in Great Neck, N.Y., will build a freestanding emergency care facility nearby.

It will operate under the license of North Shore-LIJ's Manhattan medical center, Lenox Hill Hospital, and be known as the Lenox Hill Center for Comprehensive Care. Construction will begin later this summer. The facility is due to open in early 2014.

"It will cover many or a high percentage of cases," Mr. Toney said. "In our view it was certainly better than nothing."

Meanwhile, in a plan approved by New York City officials earlier this year, a luxury residential development will rise on the former hospital site in Greenwich Village.

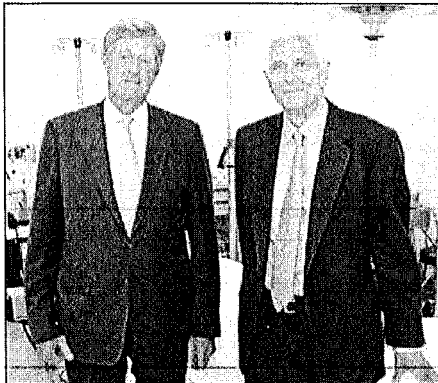
*Correction: Saint Vincent Medical Centers' sponsoring religious order, the Sisters of Charity, once ordered it to take on several money-losing Catholic hospitals in the outer boroughs. That fact was misstated in an earlier version of this article, published online July 6, 2012.*

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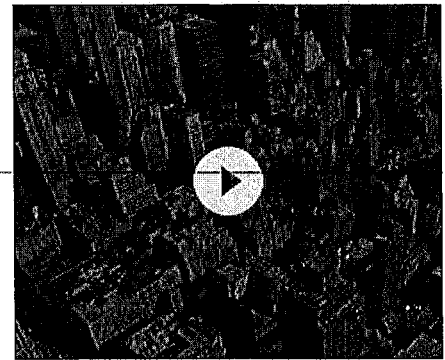
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## Picking up the pieces of St. Vincent's — well, one

A ribbon-cutting ceremony was held last Wednesday for the Beth Israel Comprehensive Cancer Center, at 325 W. 15th St. In photo at left were two major trustees of Continuum Health Partners, Inc., Beth Israel's umbrella health network, Lawrence Huntington, chairperson of Continuum's board of trustees, left, and Morton Hyman, Continuum's former board chairperson. In photo at right, were Dr. Harris Nagler, president of Beth Israel Medical Center, left, and Donna Park, vice president and executive director of the Beth Israel Comprehensive Cancer Center. Beth Israel recently bought the facility from the former St. Vincent's Hospital, which closed three months ago. The same company that was operating the outpatient center before is continuing to do so, with Beth Israel now having oversight.



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