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Doctor Offers \$31M to buy Bankrupt Hospital

Dr. B. Reddy Dandolu, a South Jersey heart surgeon said he had offered \$31 million to buy Lower Bucks Hospital in Pa. thereby bringing it out of bankruptcy in order that it could continue operating as a community hospital. Dr. Dandolu, CEO of DBR Healthcare said his company has partnered with Medley Capital, a private equity firm based in New York to raise the money and make the offer. An earlier offer was made last year but it was unsuccessful.

Dr. Dandolu is one of the hospital's creditors.

The latest offer includes the purchase price, change-over expenses fund, capital expenses and a three year operating capital line all in one package. In addition, there will be funds for a 10-year period for capital expenses. The money would come from Medley Capital of New York and CapitalSource Bank of Maryland. In a statement, Dr. Dandolu confirmed that his company has put together an experienced management team composed of two executives from an unnamed university hospital in Philadelphia. The group would continue operating Lower Bucks as a community hospital and “retain most of the jobs, provide all the medical services at current levels and improve operations.”

<http://tampabankruptcy.pro/blog/>

Hospital spokesman John Coffman declined to make any comments on this offer.

The hospital has made 4 previous requests to the court to extend the time it had to submit a restructuring plan and the ability to pitch it exclusively to creditors. In previous extension requests, the hospital said it was discussing with several anonymous potential buyers and working with its investment banker consultant to contact other possible buyers, while at the same time working on its restructuring plan. US Bankruptcy Judge Eric Frank extended the hospital's filing period to February 8 and its exclusivity period to April 9.

The judge scheduled a hearing for February 7 to determine if the hospital should be granted a fifth extension for both the filing and exclusivity right.

But an attorney representing Lower Bucks Hospital said that the hospital board is moving forward with a "stand alone" reorganization plan where the hospital will continue with its current nonprofit structure.

DBR Healthcare is not the first but the second private doctor-headed group that has tried to buy Lower Bucks Hospital. In 2009, Doctors Hospital of Bucks County reportedly offered \$25 million with plans to operate a for-profit community hospital. However, the offer fell through when hospital trustees rejected the bid.

If you or your business is facing difficult debt problems, consider filing for bankruptcy protection. Call us at (813) 200-4133 for a free consultation.