

S. FULTON HOSPITAL PLAN APPROVED

DOCTORS' GROUP HOPES TO REOPEN BANKRUPT FACILITY

PATRICIA GUTHRIE - STAFF

A federal judge approved a plan by a group of physicians to revive the bankrupt Southwest Hospital and Medical Center. But the deal is \$12 million short of becoming reality.

On Tuesday, Judge James Massey of the U.S. Bankruptcy Court in Atlanta approved Southwest Doctors Group LLC as the successful bidder on the south Fulton community hospital, which was forced to close in January. Final sale is contingent on the group coming up with \$14.8 million by July 5.

The state attorney general's office supports the sale. Its stamp of approval is required by the Georgia Hospital Acquisition Act. Deputy Attorney General Daniel Formby said the community supports the investors' plans to reopen the hospital and to eventually rebuild it.

The doctors' group hopes to begin offering limited services at the medical center, on Fairburn Road near I-285, by year's end. Its long-term plan is to build a facility estimated to cost \$250 million. Details on financing of that project have not been released.

First, the investing doctors must buy the existing hospital.

So far, about \$3 million has been raised, said Dr. John Ross, an internist, who heads the group of mostly minority physicians. The rest of the money would come from joint-venture partners, mortgage companies or investors, he said.

The 125-bed hospital had been one of five hospitals nationwide controlled or owned by African-Americans. It served southwest Fulton County for more than 40 years as a non-profit. It would convert to a for-profit business.

Johnnie Clark, chairwoman of the board of Southwest Hospital, said she knows most of the physicians who formed Southwest Doctors Group; a few have worked at the hospital for 25 years. She's confident they'll be able to complete the purchase.

"I expect that they will come up with the rest of the money or else they'll lose what they've already invested," Clark said.

Southwest closed with about \$25 million in debt. The proceeds of the sale of the hospital would cover much of that debt. Under a bankruptcy plan, secured creditors would be paid off first, Clark said.

A second doctors' group, Southwest Fulton Investors Group LLC, tried unsuccessfully to purchase the hospital.

This group said it represented the interests of the Atlanta Medical Association, the Georgia Physicians Association and the Georgia State Medical Association, working in consultation with the Morehouse School of Medicine and the Concerned Citizens of the Southwest Community. It also wanted to build a new facility and had presented plans at a community meeting.

Both groups are now pledging to work together.

"Southwest Fulton Investors Group's primary concern is the continuation of a comprehensive hospital on this site and [it] will support the efforts of any individuals or entities capable of meeting the community's expectations," Dr. Titus D. Duncan said in a statement.

Meanwhile, residents who have been courted by a few investor groups just want promises kept.

"It's one thing to have a plan; it's another thing to come up with the money," said Esther Nesbitt, who helped form the citizens group 48 hours after the hospital closed. "The goal has always been to get our hospital back."