

US Hospital Network Steward Files for Bankruptcy, Aims for New Loan



Steward Health Care, which operates 31 hospitals in eight U.S. states, filed for Chapter 11 bankruptcy in Texas on Monday, aiming to secure a new loan from its landlord Medical Properties Trust.

Steward, the largest private physician-owned for-profit healthcare network in the U.S., said it would continue serving patients as normal during its bankruptcy.

The company, which recently closed a hospital in Massachusetts, has been sharply criticized by officials in that state over what they call risky financial decisions made by its current management and former private equity owners, including a transaction that sold off the company's real estate and saddled it with long-term rent costs at its hospitals.

Democratic Massachusetts Attorney General Andrea Joy Campbell said Steward's bankruptcy should provide state officials with more insight into the company's financial condition and whether it compromised patient care in its pursuit of profits.

"If those efforts have violated the law, those involved will absolutely hear from my office," Campbell said at a Monday press conference.

Massachusetts Governor Maura Healey, a Democrat, said that her team has been working to ensure that Steward's financial troubles do not imperil medical care in eight remaining hospitals it operates in the commonwealth.

Steward did not immediately respond to questions about Healey and Campbell's comments.

Steward will seek up to \$300 million in financing from Medical Properties Trust, after failing to quickly close a sale of its physician group Stewardship Health. The company is asking for \$75 million to start its bankruptcy case, with up to \$225 million at a later date.

"With the delay in closing of the Stewardship Health transaction, Steward was forced to seek alternative methods of bridging its operations," Steward CEO Ralph de la Torre said on Monday.

Source: [Reuters](#)

Image Credit: [Steward Health Care](#)

Published on : Tue, 7 May 2024