

Louisiana Medical Center and Heart Hospital Files for Bankruptcy; Post-Katrina Expansion Left Hospital With Debt Burden

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Louisiana Medical Center and Heart Hospital has filed for bankruptcy and is looking for a buyer to bail it out of an overload of debt.

Located on the "North Shore" region of New Orleans, the hospital escaped the devastation of Hurricane Katrina in 2005. It launched a \$40 million "physical and image expansion" intended to help it capture the opportunity presented by an influx of new residents looking to avoid the storm-battered city.

Subsequent financing deals left Louisiana Medical Center owing \$104 million to equity stakeholder Cardiovascular Care Group, Inc., which manages the hospital and the associated physicians group, court papers say.

Revenue fell short of expectations, however, and the hospital has been stacking up losses, according to a filing in the U.S. Bankruptcy Court in Wilmington, Del. **With the aid of SOLIC Capital Advisors LLC, Louisiana Medical Center has been looking for a buyer since last year, but was unable to find a deal outside bankruptcy.**

Filing for chapter 11 presents the hospital with a chance to sell the assets or wind down the operation under court protection.

McKesson Technologies Inc. is listed as the hospital's largest unsecured creditor, owed more than \$600,000. Conifer Health Solutions LLC is owed more than \$500,000, court papers say.

LMCHH PCP LLC, the physicians group, filed for protection Monday, along with Louisiana Medical Center and Heart Hospital LLC.

The case, number 17-10201, has been assigned to Judge Laurie Selber Silverstein. Assets are estimated at \$1 million to \$10 million, while debts top \$100 million, according to the petition. Alston & Bird and Young Conaway Stargatt & Taylor are the legal advisers for the bankruptcy.

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