

Horton hospital set for December auction

(KAIR)--A local area hospital, whose doors were closed earlier this year, is expected to be sold at auction.

That comes as an auction date is set for the Horton Community Hospital, along with the facility's properties.

Horton City Administrator John Calhoon, citing the trustee involved with the bankruptcy proceedings which include the Horton hospital, told MSC News the auction date is scheduled for December 19.

According to an email obtained by MSC News from the bankruptcy trustee, as sent to Calhoon, business restructuring firm Sherwood Partners has been selected as investment bankers for the auction of Horton's hospital, along with six other critical access hospitals included in the bankruptcy proceedings.

Although the fate of the hospital will likely remain unknown until a buyer is found, Calhoon said he is hopeful that the sale would mean a return of at least some healthcare services to the south Brown County community. "If that day comes, December 19, and the hospital is sold, we don't know who would be purchasing it, but it will sell, and my understanding is there's no minimum or no reserve set on the property, but if someone purchases it for other reasons...I guess the thing that maybe we need to be optimistic about is potentially someone in the medical area may have some interest in acquiring the property."

The hospital closed the doors March 12, following a lengthy stretch when employees did not receive paychecks.

The former owner, Kansas City firm EmpowerHMS, headed by Jorge Perez, is facing lawsuits in connection with the closing of the Horton hospital, along with the firm's other hospital holdings.

Calhoon said it's his belief that with the controversial Perez now fully out of the picture, new interest will be found in owning and operating Horton Community Hospital. "I think there were some holdouts, as far as moving forward with medical services, due to the ownership was still going to be maintained by Mr. Perez and his associates until proceedings were finalized with the bankruptcy. I think there was some hesitancy in getting too involved with any operations of medical services. In that aspect, it may open up some possibilities, and it may open up quite a bit more interest than what we've had."

However, Calhoon also notes that in a long shot, best case scenario, it's possible

the sale could be stopped, allowing the reopening of the hospital as a critical access hospital, under a management firm of the bankruptcy trustee's choice, if approved by the bankruptcy court. That could only happen if the hospital's CMS licensing, which pertains to Medicare and Medicaid funding, is reinstated in the coming months. "There's still a great concern with the CMS licensing and that still, in my opinion, if we were able to get clarification on the CMS licensing prior to December 19, I think there would be the possibility that the sale would be possibly be canceled, and we open up with a full critical access hospital, clinic, everything we had. I think this does tell us that we will have some different format, or level of medical services. However, I'm saying with great faith that we will, at minimum, have some sort of clinic."

According to a [report](#) from the Kansas City Star, EmpowerHMS head Jorge Perez is accused of using the hospitals he owned as a way to funnel lab bills in order to profit from the increased reimbursements that rural hospital labs gain to help keep them open.

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