



HEALTH



Prospect Medical Holdings must put Crozer Health officially up for sale by Feb. 21

An similar agreement giving Prospect Medical time to sell Crozer Health was rejected in December.



Crozer said it was temporarily closing Springfield Hospital's emergency department two years ago. It hasn't reopened.

CHARLES FOX / Staff Photographer

by Harold Brubaker

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Prospect Medical Holdings Inc. must notify potential buyers that its Delaware County health system, Crozer Health, is for sale under an agreement approved Thursday by Court of Common Pleas Judge Cheryl L. Austin.

The for-profit hospital owner has 20 days to put Crozer on the market under the agreement between the Pennsylvania Attorney General and Prospect. The agreement restricts the field of potential buyers to nonprofits. It also ~~causes litigation over the closure in 2022 of Crozer's Delaware County~~

Austin had [initially rejected the agreement](#) in December, but this week approved a revised version that gives Prospect less time to put Crozer on the market. Industry experts familiar with Crozer doubt bidders will emerge who are willing to assume [Crozer's \\$155 million mortgage](#) and its pension liability.

The judge ordered the Attorney General's office to "scrupulously" monitor Prospect's progress on the potential sale and to notify the court if Prospect misses deadlines.

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Even though Crozer is for-profit, the Attorney General is involved because Prospect [bought the assets of the Delaware County health system](#) in 2016 from a nonprofit, the Crozer Keystone Health System. The paused litigation centers around whether the terms of that sale agreement were violated when Delaware County Memorial was closed.

Crozer welcomed the judge's approval of the agreement: "We are pleased the court has issued the order and we look forward to continuing to serve the community as this process moves forward."

The Foundation for Delaware County, which is the legal successor to Crozer Keystone, said it was pleased that the Attorney General is limiting the sale to nonprofit buyers.

The foundation said the agreement means "there are no more hurdles remaining in the way of Prospect issuing a Request for Proposals seeking reputable non-profit suitors that can work with the excellent staff there to rebuild a desperately needed health system."

because a judge on the Delaware Court of Common Pleas is on the Foundation for Delaware County's board of directors.



Harold Brubaker

I write about the business side of health care.

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