# Steward Health Care Proposes Sale or Auction of Hospitals, Facing Scrutiny in Bankruptcy Proceedings



Steward Health Care has submitted a proposal to a federal judge for the sale or auction of its 31 hospitals, including eight in Massachusetts, within the next seven weeks. This was disclosed in a filing late on Wednesday in the US Bankruptcy Court, where Steward declared bankruptcy last week. The proposed plan, termed “global bidding and auction procedures,” will set the deadline for bids on Steward’s Massachusetts hospitals, and others except those in Florida, for June 24, with sale hearings slated for July 2. A hearing on the motion is scheduled for June 3 at 2 p.m.

Steward has engaged investment bank Cain Brothers and Leerink Partners to market their hospitals. By the bankruptcy filing date of May 6, 179 potential buyers had been contacted by Cain and 80 by Leerink. Steward’s attorneys indicated significant interest from potential buyers, particularly for its Southern Massachusetts and Arizona hospitals.

Massachusetts government officials, including Governor Maura Healey and Attorney General Andrea Campbell, are pressing for Steward’s exit from the state. However, Steward’s financial complexity, tied to a 2016 sale-leaseback deal with Medical Properties Trust, complicates the potential sale of its assets.

Arizona Attorney General Kris Mayes announced on Friday that an investigation into Steward’s bankruptcy’s circumstances is underway, concerned about its impact on Arizona’s healthcare system. Massachusetts has shown similar concerns, marking the state’s active involvement in the proceedings. Other states are starting to scrutinize Steward’s situation as well, amid its financial troubles. Steward’s hospital lineup in Massachusetts includes St. Elizabeth’s in Brighton, Carney Hospital in Dorchester, and others.