

A. Insured by an effective municipal bond insurance policy;  
and

B. Issued on behalf of a hospital that voluntarily closed in accordance with [§ 19-115(l)] § 19-123(L) of the Health - General Article;

2. The proceeds of the obligation or such portion thereof were used for the purpose of financing or refinancing a facility or part thereof which is used primarily to provide outpatient services at a location other than the hospital; or

3. The proceeds of the obligation or such portion thereof were used to finance or refinance a facility or part thereof which is primarily used by physicians who are not employees of the hospital for the purpose of providing services to nonhospital patients.

(b) (1) The General Assembly finds that the failure to provide for the payment of public body obligations of a closed or delicensed hospital could have a serious adverse effect on the ability of Maryland health care facilities, and potentially the ability of the State and local governments, to secure subsequent financing through the issuance of tax-exempt bonds.

(2) The purpose of this section is to preserve the access of Maryland's health care facilities to adequate financing by establishing a program to facilitate the refinancing and payment of public body obligations of a closed or delicensed hospital.

(c) The Maryland Hospital Bond Program is hereby created within the Maryland Health and Higher Educational Facilities Authority. The Program shall provide for the payment and refinancing of public body obligations of a hospital, as defined in § 19-301 of the Health - General Article, if:

(1) The closure of a hospital is in accordance with [§ 19-115(l)] § 19-123(L) of the Health - General Article or the delicensure of a hospital is in accordance with § 19-325 of the Health - General Article;

(2) There are public body obligations issued on behalf of the hospital outstanding;

(3) The closure of the hospital is not the result of a merger or consolidation with 1 or more other hospitals; and

(4) The hospital plan for closure or delicensure and the related financing or refinancing plan is acceptable to the Secretary of Health and Mental Hygiene and the Authority.

(d) (1) The [Health Resources Planning Commission] ~~HEALTH CARE ACCESS AND COST COMMISSION~~ shall give:

(i) The Authority and the Health Services Cost Review Commission written notification of the filing by a hospital with the [Health Resources Planning Commission] ~~HEALTH CARE ACCESS AND COST COMMISSION~~ of any written notice of intent to close under [ § 19-115(l)] § 19-123(L) of the Health - General Article; or