

agreements is substituted for the former reference to continuing care agreements "to which it is a party" for brevity.

Defined terms: "Continuing care agreement" § 10-401

"Department" § 10-101

"Provider" § 10-401

10-438. SALE OR TRANSFER OF ASSETS — APPROVAL BY DEPARTMENT.

(A) DETERMINATION BY DEPARTMENT.

(1) AFTER REVIEWING THE INFORMATION REQUIRED BY § 10-437 OF THIS SUBTITLE, THE DEPARTMENT SHALL DETERMINE WHETHER THE SALE, TRANSFER, OR OTHER DISPOSITION SATISFIES THE STANDARD FOR APPROVAL SET FORTH IN SUBSECTION (B) OF THIS SECTION.

(2) THE DEPARTMENT SHALL MAKE ITS DETERMINATION AND NOTIFY THE PROVIDER IN WRITING WITHIN 25 DAYS AFTER THE DATE OF THE NOTICE REQUIRED BY § 10-437(A)(2) OF THIS SUBTITLE, UNLESS EXTENDED BY THE DEPARTMENT FOR GOOD CAUSE.

(3) IF THE DEPARTMENT DOES NOT APPROVE THE PROPOSED SALE, TRANSFER, OR OTHER DISPOSITION, THE DEPARTMENT SHALL INCLUDE THE REASONS FOR ITS DETERMINATION IN THE WRITTEN NOTICE TO THE PROVIDER.

(B) STANDARD FOR APPROVAL.

THE DEPARTMENT SHALL APPROVE THE SALE, TRANSFER, OR OTHER DISPOSITION OF ASSETS UNLESS IT DETERMINES THAT THE SALE, TRANSFER, OR DISPOSITION IS LIKELY TO HAVE AN UNREASONABLY ADVERSE EFFECT ON:

(1) THE FINANCIAL STABILITY OF THE PROVIDER; OR

(2) THE CAPACITY OF THE PROVIDER TO PERFORM ITS OBLIGATIONS UNDER ITS CONTINUING CARE AGREEMENTS.

(C) REGULATIONS.

(1) BY REGULATION, THE DEPARTMENT SHALL ADOPT REASONABLE OBJECTIVE FINANCIAL STANDARDS FOR A PROPOSED SALE, TRANSFER, OR OTHER DISPOSITION OF ASSETS.

(2) IF THE DEPARTMENT DETERMINES THAT THE PROVIDER HAS MET THE OBJECTIVE FINANCIAL STANDARDS, THE DEPARTMENT SHALL APPROVE THE PROPOSED SALE, TRANSFER, OR OTHER DISPOSITION OF ASSETS.

(3) IF THE DEPARTMENT DETERMINES THAT THE PROVIDER HAS NOT MET THE OBJECTIVE FINANCIAL STANDARDS, THE DEPARTMENT MAY APPROVE A PROPOSED SALE, TRANSFER, OR OTHER DISPOSITION OF ASSETS IF IT SATISFIES THE REQUIREMENTS SET FORTH IN SUBSECTION (B) OF THIS SECTION.

(D) APPEAL OF DEPARTMENT'S DETERMINATION.