



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

MEMORANDUM

DATE: September 19, 2016

TO: Interested Parties

FROM: Alva M. Lambert *AML*
Executive Director

SUBJECT: New Certificate of Need Application Fee and
Monetary Threshold for Review
Effective October 1, 2016

Section 22-21-271, Code of Alabama, 1975 and Rule 410-1-7-.06 of the *Alabama Certificate of Need Program Rules and Regulations* require that the maximum application fee be indexed for inflation along with the threshold for new institutional health services listed in §22-21-263, Code of Alabama, 1975. The United States Department of Labor Consumer Price Index (CPI) – All Urban Consumers, Professional Medical Services, averaged an increase of 2.4% for the months of September 2015 through August 2016 (series id CUUR0000SEMC).

The expenditure threshold for major medical equipment will be increased from \$2,854,550 to \$2,923,059; the new annual operating cost will be increased from \$1,141,819 to \$1,169,223; and any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization will be increased from \$5,709,099 to \$5,846,117.

Based on a 2.4% increase in the CPI, the maximum Certificate of Need filing fee will be increased from \$21,736 to \$22,258.

AML/kwm