



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870  
MONTGOMERY, ALABAMA 36104

**MEMORANDUM**

DATE: September 17, 2014

TO: Interested Parties

FROM: Alva M. Lambert   
Executive Director

SUBJECT: New Certificate of Need Application Fee and  
Monetary Threshold for Review  
Effective October 1, 2014

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 1.8% for the months of September 2013 through August 2014 (series id CUUR0000SEMC).

The expenditure threshold for major medical equipment will be increased from \$2,757,204 to \$2,806,834; the new annual operating cost will be increased from \$1,102,881 to \$1,122,733; and any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization will be increased from \$5,514,408 to \$5,613,667.

Based on a 1.8% increase in the CPI, the maximum Certificate of Need filing fee will be increased from \$20,995 to \$21,373.

AML/kwm