

STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

MEMORANDUM

DATE: September 19, 2019

TO: Interested Parties

FROM: Emily T. Marsal 
Executive Director

SUBJECT: New Certificate of Need Application Fee and
Monetary Threshold for Review
Effective October 1, 2019

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 .90% for the months of September 2018 through August 2019 (series id CUUR0000SEMC).

The expenditure threshold for major medical equipment will be increased from \$2,997,918 to \$3,024,899; the new annual operating cost will be increased from \$1,199,166 to \$1,209,958; and any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization will be increased from \$5,995,836 to \$6,049,799.

Based on a .90% increase in the CPI, the maximum Certificate of Need filing fee will be increased from \$22,828 to \$23,033.

ETM/mst