



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

MEMORANDUM

DATE: September 23, 2020

TO: Interested Parties

FROM: Emily T. Marsal 
Executive Director

SUBJECT: New Certificate of Need Application Fee and
Monetary Threshold for Review
Effective October 1, 2020

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 2019 through August 2020 (series id CUUR0000SEMC).

The expenditure threshold for major medical equipment will be increased from \$3,024,899.00 to \$3,079,347.00; the new annual operating cost will be increased from \$1,209,958.00 to \$1,231,738.00; and any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization will be increased from \$6,049,799.00 to \$6,158,695.00.

Based on a 1.8% increase in the CPI, the maximum Certificate of Need filing fee will be increased from \$23,033.00 to \$23,448.00.

ETM/kwm