



STATE HEALTH PLANNING AND DEVELOPMENT AGENCY

100 NORTH UNION STREET, SUITE 870
MONTGOMERY, ALABAMA 36104

MEMORANDUM

DATE: September 15, 2017
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, 2017

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% for the months of September 2016 through August 2017 (series id CUUR0000SEMC).

The expenditure threshold for major medical equipment will be increased from \$2,923,059 to \$2,981,520; the new annual operating cost will be increased from \$1,169,223 to \$1,192,607; and any other capital expenditure by or on behalf of a healthcare facility or health maintenance organization will be increased from \$5,846,117 to \$5,963,039.

Based on a 2% increase in the CPI, the maximum Certificate of Need filing fee will be increased from \$22,258 to \$22,703.

AML/kwm