



Nathan Deal, Governor

Frank W. Berry, Commissioner

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June 29, 2018

MEMORANDUM

TO: Interested Parties
FROM: Rachel L. King, Executive Director
Office of Health Planning
SUBJECT: Update of Certificate-of-Need (CON) Thresholds

On July 1, 2018, the following CON thresholds become effective:

Table with 2 columns: Category and Thresholds Effective 7/1/2018. Rows include Capital Expenditures, Single-Specialty Physician-Owned Ambulatory Surgery Facilities, Joint Venture Ambulatory Surgery Centers, and Equipment.

Pursuant to O.C.G.A. §§ 31-6-40(a)(2) and 31-6-2(14), calculation of the CON threshold is made using the Private Fixed Investment in Structures Index (PFI), which is published annually by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA).

Table with 2 columns: Index Name and Value. Rows: 2016 Private Fixed Investment Index - Revised June 28, 2018 (118.631), 2017 Private Fixed Investment Index - Revised June 28, 2018 (122.846), Annual Percent Change, Cumulative 2016 to 2017 (3.553%).

Pursuant to O.C.G.A. § 31-6-40(a)(3), calculation of the CON Equipment threshold is made using the annual percentage of change in the Consumer Price Index published by the U.S. Department of Labor for the preceding calendar year.

Table with 2 columns: Index Name and Value. Rows: 2016 Consumer Price Index - Medical Care Commodities - Extracted June 28, 2018 (366.781), 2017 Consumer Price Index - Medical Care Commodities - Extracted June 28, 2018 (377.038), Annual Percent Change, Cumulative 2016 to 2017 (2.796%).

Table with 2 columns: Description and Equipment Value. Rows: CON Threshold, July 1, 2017 (\$1,288,884), 2.796% Increase Due to CPI (\$36,037.20), CON Threshold, July 1, 2018 (\$1,324,921).

Sources: Private Fixed Investment in Structures - United States Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts, Private Fixed Investment in Structures by Type Index (Table 5.4.4U), Revised June 28, 2018. Consumer Price Index - United States Department of Commerce, Bureau of Labor Statistics, Medical Care Commodities (Series CUUR0000SAM1), Extracted June 28, 2018.

Calculated by: Office of Health Planning, Department of Community Health