Throcholde



## Brian P. Kemp, Governor

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June 29, 2023

## MEMORANDUM

TO: Interested Parties

FROM: Karesha B. Laing, Interim Executive Director

Office of Health Planning

SUBJECT: Update of Certificate of Need (CON) Thresholds

On July 1, 2023, the following CON thresholds become effective:

Category	Effective 7/1/2023
Capital Expenditures, O.C.G.A. § 31-6-40(a)(2)	\$13,223,227.00
Single-Specialty Physician-Owned Ambulatory Surgery Facilities, O.C.G.A. § 31-6-47(a)(1	8) \$4,251,394.00
Joint Venture Ambulatory Surgery Centers, O.C.G.A. § 31-6-47(a)(19)	\$ 8,502,788.00
Equipment Acquisition (Excluding PET Units), O.C.G.A. § 31-6-47(a)(28)	\$ 3,052,561.00
Equipment Repair or Replacement, O.C.G.A. § 31-6-47(a)(10)	\$ 885,243.00

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). The annual percentage of change in the PFI Index is calculated and applied to the prior year's thresholds to derive the dollar change and the final updated thresholds. These calculations are shown below:

2021 Private Fixed Investment Index – Revised June 29, 2023	141.302
2022 Private Fixed Investment Index – Revised June 29, 2023	162.314
Annual Percent Change, Cumulative 2021 to 2022	14.870%

Pursuant to O.C.G.A. § 31-6-47(a)(28), calculations of the CON Equipment Acquisition and the Equipment Repair or Replacement thresholds are 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. These calculations are shown below:

2021 Consumer Price Index – Medical Care Commodities – Extracted June 29, 2023	377.057
2022 Consumer Price Index – Medical Care Commodities – Extracted June 29, 2023	388.109
Annual Percent Change, Cumulative 2021 to 2022	2.931%

## Sources:

<u>Private Fixed Investment in Structures</u> - 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 29, 2023.

<u>Consumer Price Index</u> - United States Department of Commerce, Bureau of Labor Statistics, Medical Care Commodities (Series CUUR0000SAM1), Extracted June 29, 2023.

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