



Office of General Counsel
Division of Health Planning
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July 1, 2009

MEMORANDUM

TO: Interested Parties
FROM: Marsha A. Hopkins, Executive Director
Division of Health Planning
SUBJECT: Update of Certificate-of-Need (CON) Thresholds

On July 1, 2009, the following CON thresholds become effective:

<u>Category</u>	<u>Thresholds Effective 7/1/2009</u>
Capital Expenditures O.C.G.A. §31-6-40(a)(2)	\$ 2,514,850
Single-Specialty Physician-Owned Ambulatory Surgery Facilities O.C.G.A. §31-6-47(a)(18)	\$ 2,514,850
Joint Venture Ambulatory Surgery Centers O.C.G.A. §31-6-47(a)(19)	\$ 5,029,700

Pursuant to O.C.G.A. §31-6-40(a)(2), (14), calculation of CON thresholds 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), is used to calculate the CON thresholds. 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:

2007 Private Fixed Investment Index – Revised June 1, 2009	145.566
2008 Private Fixed Investment Index – Revised June 1, 2009	146.431
Annual Percent Change, Cumulative 2007–2008	0.594%

	Capital Expenditures	Single-Specialty Physician-Owned Ambulatory Surgery Facilities	Joint Venture Ambulatory Surgery Centers
CON Threshold, July 1, 2008	\$2,500,000	\$2,500,000	\$5,000,000
0.594% Increase Due to PFI	\$14,850	\$14,850	\$29,700
CON Threshold, July 1, 2009	\$2,514,850	\$2,514,850	\$5,029,700

The Certificate of Need Equipment threshold remains \$1,000,000. Pursuant to O.C.G.A. § 31-6-40(a)(3) calculation of Certificate of Need Equipment threshold will be 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 commencing on July 1, 2010.

Source: United States Department of Commerce, Bureau of Economic Analysis, National Income and Product Accounts, Private Fixed Investment in Structures by Type Index (Table 5.4.4BU), Revised June 1, 2009

Calculated by: Data Resources and Analysis Section, Division of Health Planning