STATE HEALTH PLANNING AND DEVELOPMENT AGENCY
ADMINISTRATIVE CODE

CHAPTER 410-1-4
SCOPE OF REVIEW

410-1-4-.01 New Institutional Health Services Subject To Review.

(1) All new institutional health services which are subject to Section 22-21-260, et seq., Code of Ala. 1975, and which are proposed to be offered or developed within the state shall be subject to Certificate of Need review. New institutional health services which are subject to review shall include:

(a) the construction, development, acquisition through lease or purchase or other establishment of a new health care facility or health maintenance organization; or

(b) any expenditure by or on behalf of a health care facility or health maintenance organization, which, under generally accepted accounting principles consistently applied, is a capital expenditure in excess of:

1. $2,000,000.00 indexed annually for inflation for major medical equipment; or

2. resulting in excess of $800,000.00 for new annual operating costs indexed annually for inflation; or

3. $4,000,000.00 indexed annually for inflation for any other capital expenditure by or on behalf of a health care facility or health maintenance organization; or

(c) any change in the existing licensed bed capacity of a health care facility or health maintenance organization through the:

1. addition of new beds;

2. the relocation of one or more beds from one physical facility to another, (that is, one geographically separate location to another); or

3. reallocation among services of existing beds through the conversion of one or more beds from one category to another within the following bed categories:

(i) general medical surgical

(ii) inpatient psychiatric

(iii) inpatient/residential alcohol and drug abuse

(iv) inpatient rehabilitation

(v) long term care beds including skilled nursing care, intermediate care, transitional care, and swing beds; or

(d) any health service which is proposed to be offered in or through a health care facility or health maintenance organization, and which was not offered on a regular basis in or through such health care facility or health maintenance organization within the twelve-month (12 month) period prior to the time such services would be offered, including, without limitation, health services to be provided through equipment obtained from vendors or lessors of equipment, provided, however, that a vendor or lessor of equipment which does not materially engage in the provision of the health service shall not be required to obtain a CON; or

(e) the acquisition, by any person, of major medical equipment that will

1. be owned by or located in a health care facility, or which will be used to provide health services to persons admitted to a health care facility; provided, however, that an acquisition of major medical equipment need not be reviewed if it will be used to provide services to inpatients of a health care facility only on a temporary basis in the case of a natural disaster, major accident, or equipment failure; or

2. if a person acquires major medical equipment not located in a health care facility without a Certificate of Need and proposes at any time to use that equipment to serve inpatients of a health care facility, then the proposed new use must be reviewed unless the equipment will be used to provide services to inpatients of a health care facility only on a temporary basis not to exceed six weeks in the case of an emergency, a natural disaster, a major accident, or an equipment failure. An extension of the six-week time period may be granted by the Certificate of Need Review Board. For the purposes of this section, “temporary basis” means on an occasional or irregular basis or until the applicant’s proposal for permanent acquisition or regular use by a health care facility is reviewed under the formal review process; or

3. an acquisition made by or on behalf of a health care facility under lease or comparable arrangement, or through donation, which would have required a Certificate of Need if the acquisition had been by purchase.

(f) For purposes of subsection (c)(3)(i) above, "General Medical Surgical" shall be defined as encompassing all acute care beds not otherwise included in subsections (c)(3)(ii)-(iv)

(g) Any other proposal which is related to one or more of the foregoing, or any variation or combination thereof which would be reviewable within the meaning of the statute.

(h) Notwithstanding all other provisions of these rules to the contrary, those facilities and distinct units operated by the Department of Mental Health and Mental Retardation and those facilities and distinct units operating under contract or subcontract with the Department of Mental Health and Mental Retardation where the contract constitutes the primary source of income to the facility shall not be subject to review under this article.

(i) Notwithstanding any other provisions of these rules to the contrary, the definition a new institutional health service shall not include any health services provided by a mobile or fixed-based extra corporeal shock wave lithotripter, a mobile or fixed-based magnetic resonance imaging scanner and/or a mobile or fixed-based positron emission tomography scanner.

(j) Notwithstanding any other provisions of these rules to the contrary, the modernization or construction of a non-clinical building, parking facility or any other non-institutional health services capital item on the existing campus of a health care facility shall be exempt from Certificate of Need review provided the construction or modernization does not allow the health care facility to provide any new institutional health services subject to review and not previously provided on a regular basis.

(k) Any reference contained in these rules to an "index" shall be a reference to the Consumer Price Index Market Basket Professional Medical Services Index as published by the U. S. Department of Labor, Bureau of Labor statistics.

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