




STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

RICK SNYDER
GOVERNOR

NICK A. KHOURI
STATE TREASURER

DATE: July 18, 2018

TO: Nick Lyon, Director
Department of Health and Human Services

FROM: Nick Khouri
State Treasurer 

SUBJECT: Certificate of Need Threshold Adjustment for January 1, 2019

Under MCL 333.22221(g) the Department of Community Health shall adjust each January 1, the "covered capital expenditure" threshold in MCL 333.22203(9) "by an amount determined by the state treasurer." The adjustment amount is to reflect "the annual percentage change in the consumer price index, using data from the immediately preceding period of July 1 to June 30."

As last amended by Public Act 619 of 2002, the statute requires the State Treasurer to determine annually the threshold amount. The statutory language is:

Sec. 22221 The department [of community health] shall do all of the following:

(g) Beginning January 1, 2003, annually adjust the \$2,500,000.00 threshold set forth in section 22203(9) by an amount determined by the state treasurer to reflect the annual percentage change in the consumer price index, using data from the immediately preceding period of July 1 to June 30. As used in this subdivision, "consumer price index" means the most comprehensive index of consumer prices available for this state from the bureau of labor statistics of the United States department of labor.

The cumulative percentage increase in the Detroit CPI-All Urban consumers through the period July 1, 2001-June 30, 2018 is 33.0 percent. **Based on this cumulative increase, the January 1, 2019 adjusted threshold will be \$3,325,000.**

Please call Eric Bussis (373-2158) or me (241-2624) if you have any questions.

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c: Eric Bussis
Howard Heideman
Thomas Patchak-Schuster
Katherine Kratz
Elizabeth Nagel, Administrator –MDHHS
Tulika Bhattacharya, Section Manager – MDHHS

MCL 333.22221(g) Certificate of Need Threshold Adjustment Calculation

		<u>Prior Year Second Half Avg</u>		<u>Current Year First Half Avg</u>	<u>Average of Half Year Avgs</u>	Cumulative Percentage Change from Jul 2000-Jun 2001 to Jul 2017-Jun 2018	<u>Adjusted Threshold</u>	
<u>Effective Date</u>	<u>Threshold Amount</u>							
2000	2000H2	171.200	2001H1	174.100	172.700			\$2,500,000
2018	2017H2	228.054	2018H1	231.490	229.772	33.0%	Jan 01, 2019	3,325,000

Source: Bureau of Labor Statistics.

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury

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