

Government of the District of Columbia  
Office of the Chief Financial Officer



Natwar M. Gandhi  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer

**DATE:** NOV 16 2007

**SUBJECT:** Fiscal Impact Statement: "Health Services Planning Program  
Amendment Act of 2007"

**REFERENCE:** Bill Number 17-362

---

**Conclusion**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

**Background**

The proposed legislation would amend the Health Services Planning Program Re-establishment Act of 1996<sup>1</sup> to provide that the Certificate of Need (CON) fee shall be \$5,000 for any project receiving funds through the Medical Homes DC Initiative, as operated by the District of Columbia Primary Care Association (DCPCA).

**Financial Plan Impact**

Funds are sufficient in the FY 2008 through FY 2011 budget and financial plan to implement the proposed legislation.

---

<sup>1</sup> Effective April 9, 1997. D.C. Law 11-191; D.C. Official Code § 44-420.

Current law provides that CON application fees are "the greater of 3% of the proposed capital expenditure or \$5,000, with a maximum of \$300,000."<sup>2</sup> As the proposed legislation would set the CON fee at \$5,000, it may result in reduced CON fee revenues for SHPDA, which are deposited into the State Health Planning and Development Fund.<sup>3</sup> The Fund is non-lapsing and non-reverting, and is used to pay salaries and other expenses necessary to carry out the duties of SHPDA. Therefore, the proposed legislation would not have an impact on the District's General Fund.

As the quantity and type of future CON applications is not currently known, the impact of the proposed legislation on the State Health Planning and Development Fund cannot be quantified by the Office of the Chief Financial Officer (OCFO) at this time. However, SHPDA has indicated to the OCFO that it can absorb potential revenue reductions that may result from the implementation of this bill.

---

<sup>2</sup> D.C. Code § 44-420.

<sup>3</sup> D.C. Code § 44.420.01