

**CERTIFICATION OF ADMINISTRATIVE RULES
FILED WITH THE LEGISLATIVE SERVICES AGENCY
OTHNI LATHRAM, DIRECTOR**

(Pursuant to Code of Alabama 1975, §41-22-6, as amended).

I certify that the attached is/are correct copy/copies of rule/s as promulgated and adopted on Wednesday, July 15, 2026, and filed with the agency secretary on Wednesday, July 15, 2026.

AGENCY NAME: State Health Planning and Development Agency

INTENDED ACTION: New

RULE NO.: Chapter 410-1-13

(If amended rule, give specific paragraph, subparagraphs, etc., being amended) **Rule 410-1-13-.03, Definitions – added a definition of "Modification," with illustrative examples (material change in approved activity, material expansion of approved scope, change in magnitude of operations, or addition/subtraction of a party), in response to comments regarding ambiguity of the term. Rule 410-1-13-.04, Application – revised to require that the Application be filed on behalf of, and reflect, all parties to the proposed Cooperative Engagement. Rule 410-1-13-.12, Fees – replaced the flat \$2,000 filing fee with a tiered fee structure: \$500 for a rural applicant, defined as an applicant where no party to the proposed engagement is a health care facility operating one hundred (100) or more authorized beds, and \$2,000 for all other applicants, in response to comments regarding cost-prohibitive fees for small rural hospitals.**

RULE TITLE: Certificates of Public Advantage

ACTION TAKEN: State whether the rule was adopted with or without changes from the proposal due to written or oral comments:

Adopted with changes. The Alabama Hospital Association submitted written comments expressing concern flat \$2,000 filing fee (Rule 410-1-13-.12) would be cost prohibitive for small rural hospitals and requesting a reduced \$500 fee for rural applicants, defined by reference to authorized bed count; and that the term "modification," which triggers the filing fee obligation, created ambiguity as to which organizational or operational changes required a filing.

NOTICE OF INTENDED ACTION PUBLISHED IN VOLUME XLIV, ISSUE NO. 8, AAM,
DATED FRIDAY, MAY 29, 2026.

STATUTORY RULEMAKING AUTHORITY: Act 2026-522, Code of Alabama, 1975.

APA-3

(Date Filed)
(For LRS Use Only)

Emily T. Marsal

Emily Marsal

Certifying Officer or his or her
Deputy

(NOTE: In accordance with §41-22-6(b), as amended, a proposed rule is required to be certified within 90 days after completion of the notice.)

**STATE HEALTH PLANNING AND DEVELOPMENT AGENCY
ADMINISTRATIVE CODE**

**CHAPTER 410-1-13
CERTIFICATES OF PUBLIC ADVANTAGE**

TABLE OF CONTENTS

410-1-13-.01	Authority and Purpose
410-1-13-.02	Scope and Construction
410-1-13-.03	Definitions
410-1-13-.04	Application
410-1-13-.05	Review and Determination
410-1-13-.06	Submission to Governor; Approval
410-1-13-.07	Procedures
410-1-13-.08	Duration and Renewal
410-1-13-.09	Ongoing Supervision and Reporting
410-1-13-.10	Amendment of Cooperative Engagement
410-1-13-.11	Revocation or Suspension
410-1-13-.12	Fees
410-1-13-.13	Forms

410-1-13-.01 Authority and Purpose.

This Rule is adopted pursuant to Act 2026-522 to implement the clearly articulated state policy of the State of Alabama to authorize and actively supervise certain cooperative activities among health care providers, and to establish procedures governing the review, supervision, renewal, amendment, and revocation of Certificates of Public Advantage. The Agency shall act solely through its Executive Director in carrying out the responsibilities assigned under this Rule, subject to review and approval by the Governor or the Governor's designee as provided in Act 2026-522. The issuance, denial, or modification of a Certificate of Public Advantage constitutes the exercise of the State's supervisory authority to determine whether proposed cooperative activities are reasonably necessary to further clearly articulated state policy and shall be conducted as a matter of state regulatory oversight.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published July 31, 2026; effective September 14, 2026.

410-1-13-.02 Scope and Construction.

(1) This Rule applies to all persons seeking approval of a Cooperative Engagement, as defined herein, pursuant to Act 2026-522. This Rule shall be construed to implement, and not expand, the authority granted by Act 2026-522.

(2) The provisions of Chapter 410-1 governing the review of applications and other filings relating to the Certificate of Need program shall not apply to applications, proceedings, or determinations under this Rule, provided, however, that all filings shall comply with Rules 410-1-3-.08 (Mode of Filing), 410-1-3-.09 (Electronic Filing), and 410-1-3-.10 (Electronic Notice).

(3) Nothing in this Rule shall be construed to modify, limit, or supersede any requirement imposed by the Certificate of Need laws of the State of Alabama or the rules adopted thereunder. The issuance of a Certificate of Public Advantage does not exempt any person or entity from obtaining a Certificate of Need where otherwise required by law, nor does it affect the standards, procedures, or criteria applicable to any Certificate of Need review.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.03 Definitions.

For purposes of this Rule, the following definitions apply:

"Act" means Act 2026-522, as the same may be codified in the Code of Alabama.

"Active State Supervision" means oversight by the Agency and, as provided under the Act, the Governor of Alabama, sufficient to ensure that Cooperative Engagement and Cooperative Activities are conducted in accordance with clearly articulated state policy,

including review and approval of applications, imposition of conditions, monitoring and reporting requirements, and authority to amend, suspend, or revoke a Certificate.

"Applicant" means a person or entity, or a group of persons or entities, seeking to enter into a Cooperative Engagement to engage in coordinated activities authorized under the Act. For the purposes of seeking the issuance, renewal, or modification of a Certificate of Public Advantage, the applicant should reflect all parties to the proposed Cooperative Engagement.

"Application" means a filing submitted to the Agency requesting issuance, renewal, or amendment of a Certificate of Public Advantage. For the purposes of seeking the issuance, renewal, or modification of a Certificate of Public Advantage, the application should be filed on behalf of all parties to the proposed Cooperative Engagement.

"Certificate of Public Advantage" means a written determination issued by the State Health Planning and Development Agency approving a Cooperative Engagement and defining the scope of authorized activities, including any conditions imposed.

"Cooperative Engagement" means any contract, agreement, understanding, practice, or other arrangement, whether written or unwritten, formal or informal, between or among two or more health care providers, pursuant to which the parties engage in coordinated activities authorized under the Act, including the sharing of data or information, collaboration in clinical, administrative, or operational functions, the provision of shared services, and other coordinated activities permitted under the Act. A Cooperative Engagement shall be limited to those activities for which approval is sought and granted through a Certificate of Public Advantage and shall not include any conduct expressly prohibited by the Act.

"Cooperative Activity" means any conduct undertaken pursuant to an approved Cooperative Engagement and within the scope of a Certificate of Public Advantage.

"Certificate Holder" means any person or entity to whom a Certificate of Public Advantage has been issued.

~~"Application" means a filing submitted to the Agency requesting issuance, renewal, or amendment of a Certificate of Public Advantage.~~

"Material Change" means a change in the parties, scope, or operation of a Cooperative Engagement that exceeds or is inconsistent with the authority granted in a Certificate of Public Advantage.

~~"Active State Supervision~~Modification" means ~~oversight by the Agency and, as provided under the Act, the Governor of Alabama, sufficient to ensure that~~a consequential change in the Cooperative Engagement and Cooperative Activities are conducted in accordance with clearly articulated state policyapproved in a Certificate of Public Advantage. Examples include a material change in the activity approved in a Certificate of Public Advantage, a material expansion of the scope of activity approved in a Certificate of Public Advantage, or a change in the magnitude of operations approved in a Certificate of Public Advantage. The addition or subtraction of a party to a Certificate of Public Advantage may also constitute a modification.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~July 31, 2026; effective ~~_____~~September 14, 2026.

410-1-13-.04 Application.

Any ~~person~~applicant seeking approval of a Cooperative Engagement shall file an Application with the Agency on the forms prescribed by the Agency. The Application shall include sufficient detail to describe the parties, the nature and scope of the proposed activities, the anticipated effects of the engagement, including any expected impact on competition, and such additional information as the Agency may require. An Application shall not be deemed complete until all requested information has been submitted.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~July 31, 2026; effective ~~_____~~September 14, 2026.

410-1-13-.05 Review and Determination.

The Agency shall review each Application to determine whether the proposed Cooperative Engagement is reasonably necessary to further the state policy set forth in Act 2026-522 and whether the benefits of the proposed arrangement outweigh foreseeable anticompetitive effects. The Agency shall issue its determination within fifteen (15) days of the date the Application is deemed complete, unless the Executive Director extends such period for good cause shown, in which case the Executive Director shall provide written notice of the extension and the basis therefor to the Applicant. Any determination shall be in writing, shall identify the scope of the cooperative activities determined to constitute authorized conduct under state policy, and shall set forth any conditions the Agency determines are necessary to ensure that active state supervision is maintained.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.06 Submission to Governor; Approval.

Following its review, the Agency shall submit the proposed Certificate of Public Advantage, together with its written determination and the administrative record, to the Governor or the Governor's designee for review as required by Act 2026-522. The Agency's determination shall constitute a recommendation and shall not become effective unless and until approved in writing by the Governor or the Governor's designee.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Coode of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.07 Procedures.

Except as otherwise required by applicable law, the Agency may act upon an Application based on written submissions and other information obtained during its review. The Agency may, in its discretion, request additional information or conduct such

further review as it deems appropriate. Prior to suspension, material amendment, nonrenewal, or revocation of a Certificate of Public Advantage, the Agency shall provide written notice of the proposed supervisory action and a reasonable opportunity for the Certificate Holder to submit written information or argument for the Agency's consideration. The Agency may, but is not required to, convene an informal conference or receive additional submissions as part of its review. Any determination under this Rule shall be in writing and shall state the basis for the Agency's determination.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.08 Duration and Renewal.

A Certificate of Public Advantage shall be valid for a period not to exceed three (3) years unless otherwise specified. A Certificate Holder seeking renewal shall file an Application demonstrating continued compliance with the Act, utilizing such forms as may be prescribed by the Agency, and shall provide such additional information as may be required by the Agency.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.09 Ongoing Supervision and Reporting.

The Agency shall provide ongoing and active supervision of all Cooperative Engagements approved under this Rule. The Agency may require periodic reports from Certificate Holders and may request additional information at any time as necessary to carry out its supervisory responsibilities.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.10 Amendment of Cooperative Engagement.

A Certificate Holder shall notify the Agency of any Material Change prior to implementation. The Agency shall determine whether the proposed change constitutes authorized conduct within the scope of the Act and may modify the Certificate accordingly.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.11 Revocation or Suspension.

The Agency may suspend or revoke a Certificate of Public Advantage upon determining that the Cooperative Engagement no longer satisfies the criteria for active state supervision, that the benefits of the engagement no longer outweigh its anticompetitive effects, or that the activities being conducted exceed the scope of authorized conduct set forth in the Certificate. Any such determination shall be in writing and shall state the basis for the supervisory determination.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.12 Fees.

All applications for issuance, renewal, or modification of a Certificate of Public Advantage shall be accompanied by a filing fee ~~of \$2,000.~~ determined as follows:

Rural applicant, as the term "applicant" is defined in this section, where no party to the proposed engagement is a health care facility operating one hundred (100) or more authorized beds: \$500.00

All other applicants: \$2,000.00

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.

410-1-13-.13 Forms.

(1) The following forms are hereby adopted as part of this Rule:

(a) Form CPA-1 - Application for Certificate of Public Advantage;

(b) Form CPA-2 - Application for Renewal of Certificate of Public Advantage; and

(c) Form CPA-3 - Application for Modification of Certificate of Public Advantage.

(2) All Applications filed pursuant to this Rule shall be submitted on the applicable form prescribed herein.

(3) The Agency may require additional information in support of any Application as necessary to carry out its review under the Act.

Author: Emily T. Marsal

Statutory Authority: Act 2026-522, Code of Alabama, 1975.

History: New Rule: Published ~~_____~~ July 31, 2026; effective ~~_____~~ September 14, 2026.