

2. DURING A 1-YEAR PERIOD, THE ANNUAL OPERATING REVENUE ~~THAT WOULD RESULT FROM THE EXPANSION~~ OF THE HOME HEALTH SERVICE OR PROGRAM WOULD BE GREATER THAN \$333,000 AFTER AN ANNUAL ADJUSTMENT FOR INFLATION, BASED ON AN APPROPRIATE INDEX SPECIFIED BY THE COMMISSION.

(j) (1) A certificate of need is required before any of the following capital expenditures are made by or on behalf of a health care facility:

(i) Any expenditure that, under generally accepted accounting principles, is not properly chargeable as an operating or maintenance expense, if:

1. The expenditure is made as part of an acquisition, improvement, or expansion, and, after adjustment for inflation as provided in the regulations of the Commission, the total expenditure, including the cost of each study, survey, design, plan, working drawing, specification, and other essential activity, is more than [\$600,000] \$1,250,000;

2. The expenditure is made as part of a replacement of any plant and equipment of the health care facility and is more than [\$600,000] \$1,250,000 after adjustment for inflation as provided in the regulations of the Commission;

3. The expenditure results in a substantial change in the bed capacity of the health care facility;

4. The expenditure results in [a substantial change in the services of] the ESTABLISHMENT OF A NEW MEDICAL SERVICE IN A health care facility THAT WOULD REQUIRE A CERTIFICATE OF NEED UNDER SUBSECTION (I) OF THIS SECTION; or

(ii) Any expenditure that is made to lease or, by comparable arrangement, obtain any plant or equipment for the health care facility, if:

1. The expenditure is made as part of an acquisition, improvement, or expansion, and, after adjustment for inflation as provided in the rules and regulations of the Commission, the total expenditure, including the cost of each study, survey, design, plan, working drawing, specification, and other essential activity, is more than [\$600,000] \$1,250,000;

2. The expenditure is made as part of a replacement of any plant and equipment and is more than [\$600,000] \$1,250,000 after adjustment for inflation as provided in the regulations of the Commission;