



STATE OF WASHINGTON
DEPARTMENT OF HEALTH

Nursing Home - Capital expenditure minimum adjustment procedures

WAC 246-310-900 indicates the need to make adjustments to the "expenditure minimum" for capital expenditures which are subject to the requirements of the certificate of need program established under the provisions of chapter 70.38 RCW.

Section (1) states, "United States Department of Commerce Composite Construction Cost Index shall be used in the annual adjustments".

According to the United States Department of Commerce, as of August 1, 2003, "the old types of construction classifications and the constant dollar series are no longer published"¹. The information is now collected by the United States Census Bureau in Seasonally Adjusted Rates.

In an effort to maintain the integrity outlined in WAC 246-310-900 (2)(b), reference was turned to the City Cost Adjustment Factors (January 2012). Historical Cost Indexes are based upon the standard base year of 1993 = \$100. Similar indexes from this publication are utilized in the Cost per Square Foot calculations performed by Construction Review Services.

MODIFIED: Commerce Composite Construction Cost Index
Data Source: Building Construction Cost Data
Historical Cost Index – Jan. 2012

1983 Historical Index	80.2%
January 2012 Index Rate	192.8%

Expense 1983 Dollars	\$	1,000,000
2012 Equivalent	\$	2,403,990

¹ www.census.gov/const/C30/oldtc.html

