

## After COVID-19, Hospitals Need Relief from Massive Seismic Mandates, Look to Experts to Inform Response to Next Disaster

### The Issue

**When COVID-19 hit, Californians needed hospitals to act.** To address the deadliest pandemic in the past 100 years, hospitals converted physical space, suspended many procedures and services, purchased personal protective equipment for employees and staff, hired additional staff, and more.

This response was unprecedented, and it has come at a high cost for hospitals at the front lines of the COVID-19 fight. Kaufman Hall, a national, independent consulting firm with extensive health care finance expertise, has found that the COVID-19 pandemic is **likely to lead to long-term changes to financial stability and care delivery in California hospitals. These include permanent reductions in patient care volume, workforce reductions, risk of additional hospital closures, and difficult financial decisions.** ([The Financial Impact of COVID-19 to California Hospitals](#), June 2020)

Hospitals continue to serve their communities and demonstrate every day that they are prepared to handle any emergency using flexible approaches. Now, more than ever, **scarce resources should be focused on preparedness and key services, not long-term infrastructure requirements, like the 2030 seismic safety mandate.**

Currently, 95% of all hospital buildings in the state are able to withstand the strongest of earthquakes. By 2025, all will. And yet, current law requires that by 2030 California hospitals must be *fully operational* after a major earthquake (despite the fact that, in some scenarios, evacuating a hospital may be the best course of action to protect patients). Hospitals that don't meet the 2030 seismic mandate will be forced to close, and [the RAND Corporation](#) estimates these upgrades will cost as much as \$143 billion.

Planning for massive infrastructure projects of this size must start now. This comes at a time when hospitals' budgets have been crippled by the pandemic. **Prior to the COVID-19 response, one-third of California hospitals had negative operating margins. According to a RAND study, that number could rise to 50% if the 2030 seismic requirements are not modified.**


California's hospital buildings are safe. **It's time to turn our attention to how we will care for patients after disasters of all kinds**, whether it's an earthquake or another pandemic.

### What's Needed

CHA-sponsored legislation, SB 758 (Portantino, D-La Cañada Flintridge), would require the California Department of Public Health to convene a **Health Care Delivery System Preparedness Advisory Committee** to make recommendations on how to provide care during and after the next disaster. This requirements is coupled **with immediate seismic mandate relief for hospitals that would extend the requirement from 2030 to 2037**, so hospitals are able to keep their doors open to care for all Californians in all ways, whatever disaster may come.



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**50%**  
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stress