



April 5, 2022

The Honorable Richard Pan, MD
Chair, Senate Health Committee
1021 O St., Suite 7320
Sacramento, CA 95814

Subject: SB 1339 (Pan) — SUPPORT IF AMENDED

Dear Senator Pan:

After decades of work and billions spent to meet the 2020 hospital seismic mandate to ensure their buildings are structurally sound, hospitals are well-prepared to respond to earthquakes or other disasters. By January 1, 2030, all hospital buildings must meet a second mandate to be fully operational in the event of an earthquake, or they will be forced to close.

Prior to the pandemic, the staggering cost statewide of the 2030 seismic requirements was challenging for most hospitals. Today, with 51% of California hospitals operating with negative margins and even more barely above break-even, meeting these requirements is simply impossible. As of this year, nearly two-thirds (64%) of California hospitals have yet to meet the 2030 requirements. As a result, most find themselves in a position where high-quality, equitable care for all within their communities is in real jeopardy.

Now, in this next phase of the pandemic, the Legislature has a choice: maintain decades-old 2030 requirements that would require all hospital buildings to have every service available at all times or **modernize the 2030 standards to support investments in a health care system that delivers high-quality, equitable care for all.**

SB 1339 (Pan) identifies some of the key considerations that should advance and enhance the policy discussion on updating the 2030 requirements:

- Which *communities* are at risk of losing services because their local hospital hasn't been – and won't be – able to meet the 2030 requirements?
- What *medical services* specifically might consumers lose?
- *How much would it cost* for these hospitals to undertake these construction projects to maintain services to their communities?

However, California can't wait for this report to be completed in 2024 — a resolution must be reached sooner or communities throughout the state will begin to see negative impacts we all want to avoid. **The California Hospital Association (CHA) supports this bill, if amended, to include a policy solution that will make it possible for all hospitals to continue to care for their communities.** This author-sponsored bill

Senator Richard Pan
April 5, 2022

is an important platform where we can engage in a serious and meaningful dialogue with the author's office and stakeholders.

To date, CHA has proposed a change to the 2030 standards to require all hospitals to ensure their emergency services are fully functional after a major earthquake. Refocusing the 2030 standards on emergency services (and excluding, for example, buildings that house dietary services) will preserve health care delivery that would be in jeopardy if the law is not modified. As California's hospitals recover from the devastating impacts of the COVID-19 pandemic, CHA has also proposed an additional seven years to meet these requirements. We ask that these proposals be fully considered in the author's process.

For these reasons, CHA and its more than 400 hospital and health system members support, if amended, SB 1339 and respectfully request your "YES" vote on this bill if our concerns are addressed.

Sincerely,



Kathryn Austin Scott
Senior Vice President, State Advocacy and Relations

cc: Senate Health Committee Members
Tam Ma, Deputy Legislative Secretary, Governor's Office
Dr. Mark Ghaly, Secretary, Health and Human Services Agency
Elizabeth Landsberg, Director, Department of Health Care Access and Information