



June 22, 2022

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
State Capitol, Room 412
Sacramento, CA 95814

SUBJECT: AB 1882 (R. Rivas) – NEUTRAL

Dear Senator Portantino:

California's hospitals are deeply committed to maintaining the highest state of readiness ahead of, during, and after an emergency. Assembly Bill (AB) 1882 would help share information more broadly about hospitals' disaster readiness status regarding the 2030 seismic requirements. Hospitals appreciate the amendments the author took in the Senate Health Committee and are now neutral on the bill.

It is important to make clear that hospitals will struggle for years to recover from the financial impact of COVID-19, and hospitals on the brink of closure still need immediate relief. Prior to the pandemic, the statewide cost of the 2030 seismic requirements — estimated at potentially \$100 billion — was staggering 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 care in their communities is in real jeopardy — hospitals that can't meet these requirements will be forced by law to shutter. While the notices required in AB 1882 will begin to help their local communities prepare in the event of a disaster, further dialogue on reforming and extending the deadline for the 2030 seismic requirements is needed to avoid any negative impacts to health care delivery.

For these reasons, CHA and its more than 400 hospital and health system members are neutral on AB 1882, as amended on June 13.

Sincerely,

A handwritten signature in black ink, appearing to read "K Austin Scott", written in a cursive style.

Kathryn Austin Scott
Senior Vice President, State Advocacy and Relations

cc: The Honorable Robert Rivas
The Honorable Members of Senate Appropriations Committee
Tam Ma, Deputy Legislative Secretary, Governor's Office
Dr. Mark Ghaly, Secretary, Health & Human Services Agency
Elizabeth Landsberg, Director, Department of Health Care Access and Information
Agnes Lee, Consultant, Senate Appropriations Committee
Joe Parra, Consultant, Senate Republican Caucus