



June 21, 2022

The Honorable Jim Wood, DDS  
Chair, Assembly Health Committee  
1020 N St., Room 390  
Sacramento, CA 95814

**Subject: Senate Bill (SB) 1339 (Pan) — SUPPORT IF AMENDED**

Dear Assembly Member Wood:

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 COVID-19 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, it is vital that the Legislature **provide hospitals with relief on these requirements so that hospitals can continue to address COVID-19 surges and recover from the devastating financial impacts of COVID-19**, both of which have been barriers to construction.

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 specific **medical services** might consumers lose?
- How **much would it cost** for these hospitals to undertake these construction projects to maintain services to their communities?

California can't wait for the report on these considerations to be completed in 2025, as projected; 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 moving forward, and continues to advocate for a policy solution that will make it possible for all hospitals to continue to care for their communities.**

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CHA has proposed a change to the 2030 standards to require that all hospitals 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) would preserve health care delivery that would be in jeopardy if the law is not modified. CHA has also proposed an additional seven years to meet these requirements as hospitals begin the long road to financial recovery from the staggering negative impacts of the pandemic. 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: The Honorable Richard Pan, MD  
The Honorable Members of Assembly Health Committee  
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  
Lara Flynn, Consultant, Assembly Health Committee'  
Gino Folchi, Consultant, Assembly Republican Caucus