



May 2, 2024

The Honorable Anna Caballero
Chair, Senate Appropriations Committee
State Capitol, Room 3310
Sacramento, CA 95814

SUBJECT: SB 1432 (Caballero) – SPONSOR

Dear Senator Caballero:

California hospitals are among the safest buildings in the communities they serve. After more than two decades of work and billions of dollars spent, nearly all hospitals will be able to withstand a major earthquake. Now hospitals must comply with a different standard by 2030 that requires them to be fully operational after a major earthquake **or close their doors to patient care**. While hospitals are working to comply with this requirement, many will simply not make the 2030 deadline. California must do all it can to ensure patients have uninterrupted access to health care. To this end, the California Hospital Association is proud to sponsor Senate Bill (SB) 1432, which would extend the deadline for the 2030 mandate and require the state to analyze and report to the Legislature on the mandate's impact on access to health care in communities across the state.

Your bill would provide all hospitals with an initial three-year extension, to 2033, upon submission of a seismic compliance plan and Non-Structural Performance (NPC) Evaluation report to the Department of Health Access and Information (HCAI). Hospitals could receive, at the discretion of HCAI, an additional five years to comply with the operational standard, depending on the complexity of a project, financial capability of a hospital to support seismic compliance, and/or the impact on access to care in the community. In addition, to obtain an extension beyond the base three years, hospitals would be required to meet planning, development, and construction milestones, as well as strengthen their disaster plans to ensure patients continue to receive the care they need during and after a disaster, and workers have a clear picture of the patient care plan following an earthquake.

California's rural and critical access hospitals, which provide crucial health care services in remote communities throughout the state, are often their area's only hospital, with the next one being many miles away. Many rural and critical access hospitals are struggling financially and often face higher costs of construction and difficulty recruiting companies and workers to remote areas. As experienced by the Madera community, any closure would jeopardize the health and well-being of those needing vital hospital services. This proposal would require HCAI to ascertain the cost of rural and critical access hospitals to meet the standard and options for funding so they can continue to deliver care to those living in remote communities.

SB 1432 also seeks greater partnership between hospitals and the state to comply with the law. Understanding the significant impact that hospital construction would have on access to hospital care will be critical. This proposal would also require HCAI's Office of Statewide Hospital Planning and Development (OSHPD) to:

- Provide technical assistance to hospitals to assist in the development of construction plans
- Convene community stakeholders and report findings to the Legislature to understand the impact of the seismic-related construction on hospital services and patient access to care
- Report to the Legislature and the Office of Health Care Affordability on the total cost to the hospital field to meet the 2030 standard and identify potential funding sources for hospitals that are unable to support the construction

OSHPD is largely self-funded through hospital fees for project review and approval. While this proposal will require enhanced support by the state, the proposed activities are both modest and essential to support compliance with the seismic operational standard. The required workload will help the state and the Legislature understand the scale and cost of seismic construction projects and the impact on care in all communities, ensuring California is able to maintain the critical health care services people need and expect from hospitals. It will also help HCAI have a better view of the forthcoming projects and plan resources accordingly.

Extending this deadline would ensure that 2030 seismic compliance can be approached in a systematic way that preserves access to care for all Californians. A transparent and comprehensive understanding of the scope, scale, and cost of seismic compliance is essential for the state to support its work to ensure safe, operational hospitals and as little disruption of patient care for all Californians. For these reasons, CHA respectfully requests your "AYE" vote on SB 1432.

Please contact me if you have any questions or concerns at (916) 812-7406 or kscott@calhospital.org.

Sincerely,



Kathryn Scott
Senior Vice President, State Relations and Advocacy

cc: The Honorable Members of the Senate Appropriations Committee
Agnes Lee, Consultant Senate Appropriations Committee
Joe Parra, Consultant, Senate Republican Caucus
Tim Conaghan, Consultant, Senate Republican Caucus