

Date of Hearing: April 28, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1527 (Ting) – As Introduced February 19, 2021

Policy Committee: Health

Vote: 15 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill authorizes the Office of Statewide Health Planning and Development (OSHPD) to waive requirements for up to a year for the Seaton Medical Center (Seaton) in Daly City to comply with seismic safety requirements, contingent on an approved compliance plan and regular progress reporting.

FISCAL EFFECT:

Minor and absorbable costs to OSHPD (Hospital Building Fund).

COMMENTS:

- 1) **Purpose.** According to the author, this bill authorizes OSHPD to grant Seaton a waiver of up to one year to achieve compliance with seismic retrofit requirements. According to the author, this waiver is urgently needed to allow Seaton additional time to comply with seismic requirements after years of financial uncertainty.
- 2) **Background.** Existing law establishes seismic safety standards for hospitals, overseen by OSHPD. Hospitals are grouped into categories depending on risk and must comply with seismic standards by specified deadlines. Although seismic safety is critical in the case of an earthquake, compliance can be expensive and difficult for hospitals to manage, and the challenge is especially acute for hospitals that are smaller or less profitable. A series of one-off deadline extensions have been put into place through prior legislation in order to balance implementation of safety standards with access to hospital care. This bill grants a specific deadline extension for a 357-bed hospital in Daly City, California, that has struggled with financial uncertainty and was recently sold to a new owner. The new owner believes it will need an additional six months to comply with the July 1, 2022, deadline. This bill grants an extension of up to a year, which, according to OSHPD, should be achievable.

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