

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2527 (Hoover) – As Amended March 16, 2026

Policy Committee: Health

Vote: 16 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires the California Department of Public Health (CDPH) and the Department of Health Care Access and Information (HCAI) to coordinate and act concurrently in the review and processing of any hospital application requiring approval from both departments. The bill also requires each department to commence review of a hospital application upon receipt of a complete application and payment of any applicable fee.

FISCAL EFFECT:

General Fund and special fund costs of an unknown, but significant amount, potentially millions of dollars, to either HCAI or CDPH, or both, to change regulations and processes. One or both of the departments might need to establish a new office to implement the requirements of this bill.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

1) **Purpose.** According to the author:

[This bill] requires [CDPH and HCAI] to review hospital applications concurrently rather than sequentially to help streamline the review process. Sequential review can delay critical infrastructure projects, modernization efforts and service expansions needed to meet community health needs. Streamlining this process has become increasingly urgent in light of the 2030 seismic standards that hospitals must meet. This bill will help ensure that hospitals don't incur any unnecessary delays and will give them the tools needed to successfully meet their upcoming target timelines.

2) **Background.** CDPH's Licensing and Certification Program oversees the licensing and certification of general acute care hospitals and acute psychiatric hospitals to ensure compliance with state laws and regulations. Upon receipt of an application, CDPH must evaluate and either approve or deny the application within 100 days and complete any additional review, including an onsite visit, if applicable, within 30 days.

HCAI is responsible for developing administrative regulations and building standards for hospitals and other healthcare facilities in California. HCAI focuses on building standards and safety while CDPH is responsible for health and safety standards, including environmental health and safety. HCAI's Building Standards Unit works closely with CDPH to ensure compliance with health and safety standards.

State regulations prohibit CDPH from approving architectural plans for a hospital that does not conform with state requirements on seismic safety, fire and life safety, and environmental impact; as well as local fire safety, zoning and building ordinances. As stated in the Assembly Health Committee analysis, perceived inefficiencies of the HCAI and CDPH approval and licensing process are often due to the complexity of the project. Building a hospital from the ground up requires navigating a complex sequence of planning, regulation, construction, and staffing that typically spans three to five years. The analysis states the process follows a predictable path: secure approvals, design and build the facility, hire and credential staff, and pass inspections before the hospital opens. CDPH cannot inspect a facility until it is completely built.

Analysis Prepared by: Allegra Kim / APPR. / (916) 319-2081